As filed with the Securities and Exchange Commission on June 18, 2024

File No. 001-42113

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Amendment No. 1 to

FORM 10

GENERAL FORM FOR REGISTRATION OF SECURITIES
Pursuant to Section 12(b) or 12(g) of
the Securities Exchange Act of 1934

SEAPORT ENTERTAINMENT GROUP INC.

(Exact name of registrant as specified in its charter)

Delaware	**93-1869991**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**
199 Water Street, 28th Floor **New York, NY**	**10038**
(Address of principal executive offices)	**(Zip Code)**

(212) 732-8257
(Registrant's telephone number, including area code)

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Securities to be registered pursuant to Section 12(b) of the Act:

Title of each class to be so registered	**Name of each exchange on which each class is to be registered**
Common Stock, par value $0.01 per share	**New York Stock Exchange**

Securities to be registered pursuant to Section 12(g) of the Act: None

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☐	Accelerated filer	☐
Non-accelerated filer	☒	Smaller reporting company	☐
		Emerging growth company	☒

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 7(a)(2)(B) of the Securities Act. ☒

INFORMATION REQUIRED IN REGISTRATION STATEMENT
CROSS-REFERENCE SHEET BETWEEN INFORMATION STATEMENT AND ITEMS OF FORM 10

Certain information required to be included in this Registration Statement on Form 10 is incorporated herein by reference to specifically identified portions of the information statement filed herewith as Exhibit 99.1 (the "Information Statement"). None of the information contained in the Information Statement shall be incorporated by reference herein or deemed to be a part hereof unless specifically incorporated by reference.

Item 1. Business

The information required by this Item 1 is contained in the sections of the Information Statement entitled "Information Statement Summary," "Risk Factors," "Cautionary Statement Concerning Forward-Looking Information," "The Separation and Distribution," "Capitalization," "Management's Discussion and Analysis of Financial Condition and Results of Operations," "Business," "Certain Relationships and Related Party Transactions," "Material U.S. Federal Income Tax Consequences of the Distribution to U.S. Holders," "Description of Certain Indebtedness" and "Where You Can Find More Information." Those sections are incorporated herein by reference.

Item 1A. Risk Factors

The information required by this Item 1A is contained in the sections of the Information Statement entitled "Risk Factors" and "Cautionary Statement Concerning Forward-Looking Information." Those sections are incorporated herein by reference.

Item 2. Financial Information

The information required by this Item 2 is contained in the sections of the Information Statement entitled "Summary Historical and Unaudited Pro Forma Combined Financial Data," "Unaudited Pro Forma Combined Financial Statements," "Management's Discussion and Analysis of Financial Condition and Results of Operations," and "Index to Financial Statements" (and the financial statements and related notes referenced therein). Those sections are incorporated herein by reference.

Item 3. Properties

The information required by this Item 3 is contained in the sections of the Information Statement entitled "Information Statement Summary," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Business." Those sections are incorporated herein by reference.

Item 4. Security Ownership of Certain Beneficial Owners and Management

The information required by this Item 4 is contained in the sections of the Information Statement entitled "Management" and "Security Ownership of Certain Beneficial Owners and Management." Those sections are incorporated herein by reference.

Item 5. Directors and Executive Officers

The information required by this Item 5 is contained in the section of the Information Statement entitled "Management." That section is incorporated herein by reference.

Item 6. Executive Compensation

The information required by this Item 6 is contained in the sections of the Information Statement entitled "Management," "Executive Compensation" and "Director Compensation." Those sections are incorporated herein by reference.

Item 7. Certain Relationships and Related Transactions, and Director Independence

The information required by this Item 7 is contained in the sections of the Information Statement entitled "Information Statement Summary—The Separation and Distribution," "Management," "Certain Relationships and Related Person Transactions," "Risk Factors—Risks Related to the Separation and Our Relationship with HHH" and "The Separation and Distribution." Those sections are incorporated herein by reference.

Item 8. Legal Proceedings

The information required by this Item 8 is contained in the section of the Information Statement entitled "Business—Legal Proceedings." That section is incorporated herein by reference.

Item 9. Market Price of, and Dividends on, the Registrant's Common Equity and Related Stockholder Matters

The information required by this Item 9 is contained in the sections of the Information Statement entitled "Information Statement Summary," "The Separation and Distribution," "Dividend Policy," "Management" and "Description of Capital Stock." Those sections are incorporated herein by reference.

Item 10. Recent Sales of Unregistered Securities

The information required by this Item 10 is contained in the sections of the Information Statement entitled "Information Statement Summary—The Separation and Distribution—Our Post-Separation Relationship with HHH," "The Separation and Distribution," "Certain Relationships and Related Party Transactions" and "Description of Capital Stock." Those sections are incorporated herein by reference.

Item 11. Description of Registrant's Securities to be Registered

The information required by this Item 11 is contained in the sections of the Information Statement entitled "Dividend Policy," "The Separation and Distribution" and "Description of Capital Stock." Those sections are incorporated herein by reference.

Item 12. Indemnification of Directors and Officers

The information required by this Item 12 is contained in the section of the Information Statement entitled "Description of Capital Stock—Anti-Takeover Effects of Various Provisions of Delaware Law and our Certificate of Incorporation and Bylaws —Indemnification of Directors and Officers." That section is incorporated herein by reference.

Item 13. Financial Statements and Supplementary Data

The information required by this Item 13 is contained in the sections of the Information Statement entitled "Summary Historical and Unaudited Pro Forma Combined Financial Data," "Unaudited Pro Forma Combined Financial Statements" and "Index to Financial Statements" (and the financial statements and related notes referenced therein). Those sections (and the financial statements and related notes referenced therein) are incorporated herein by reference.

Item 14. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

Not applicable.

Item 15. Financial Statements and Exhibits

(a) Financial Statements

The information required by this Item 15(a) is contained in the sections of the Information Statement entitled "Unaudited Pro Forma Combined Financial Statements" and "Index to Financial Statements" (and the financial

statements and related notes referenced therein). Those sections (and the financial statements and related notes referenced therein) are incorporated herein by reference.

(b) Exhibits

The following documents are filed as exhibits hereto:

Exhibit Number	Exhibit Description
2.1*	Form of Separation and Distribution Agreement
3.1*	Form Amended and Restated Articles of Incorporation
3.2*	Form of Amended and Restated Bylaws
10.1*	Form of Transition Services Agreement
10.2*	Form of Tax Matters Agreement
10.3*	Form of Employee Matters Agreement
10.4*	Form of Indemnification Agreement
10.5*	Standby Purchase Agreement, dated , 2024, by and among Seaport Entertainment Group Inc., Pershing Square Holdings, Ltd., Pershing Square, L.P. and Pershing Square International, Ltd.
10.6*	Investor Rights Agreement, dated , 2024, by and among Seaport Entertainment Group Inc., Pershing Square Holdings, Ltd., Pershing Square, L.P. and Pershing Square International, Ltd.
10.7**	Second Amended and Restated Limited Liability Company Agreement of JG Restaurant Holdco LLC, dated March 1, 2022
10.8**	Second Amended and Restated Limited Liability Company Agreement of Fulton Seafood Market, LLC, dated August 11, 2022
10.9**	Market Hall Management Agreement, dated July 1, 2020, by and between Fulton Seafood Market, LLC and Creative Culinary Management Company LLC
10.10**	First Amendment to Market Hall Management Agreement, dated August 11, 2022, by and between Fulton Seafood Market, LLC and Creative Culinary Management Company LLC
10.11**	Amended and Restated Agreement of Lease, dated June 27, 2013, by and between the City of New York (as successor in interest to the South Street Seaport Corporation) and South Street Seaport Limited Partnership (as successor in interest to Seaport Marketplace, Inc.)
10.12**	First Amendment to Amended and Restated Agreement of Lease, dated January 11, 2017, by and between the City of New York (as successor in interest to the South Street Seaport Corporation) and South Street Seaport Limited Partnership (as successor in interest to Seaport Marketplace, Inc.)
10.13**	Second Amendment to Amended and Restated Agreement of Lease, dated October 3, 2017, by and between the City of New York (as successor in interest to the South Street Seaport Corporation) and South Street Seaport Limited Partnership (as successor in interest to Seaport Marketplace, Inc.)
10.14**	Third Amendment to Amended and Restated Agreement of Lease, dated October 2020, by and between the City of New York (as successor in interest to the South Street Seaport Corporation) and South Street Seaport Limited Partnership (as successor in interest to Seaport Marketplace, Inc.)
10.15**	Fourth Amendment to Amended and Restated Agreement of Lease, dated December 29, 2021, by and between the City of New York (as successor in interest to the South Street Seaport Corporation) and South Street Seaport Limited Partnership (as successor in interest to Seaport Marketplace, Inc.)
10.16**	Term Loan Agreement, dated September 7, 2023, by and between 250 Seaport District, LLC and Mizuho Capital Markets LLC
10.17*	Amendment to Loan Documents Agreement, dated , 2024, by and among 250 Seaport District, LLC, TWL-Bridgeland Holding Company, LLC, Seaport Entertainment Group Inc. and Mizuho Capital Markets LLC
10.18**	Note Purchase Agreement, dated July 20, 2018, by and between Clark County Las Vegas Stadium, LLC and Computershare Trust Company National Association (as Trustee under that certain LVCVA (Las Vegas, NV) Receivables-Backed Pass Through Trust Agreement and Declaration of Trust)
10.19**	Deed of Trust, Security Agreement, Assignment of Leases and Rents and Fixture Filing Statement, from Clark County Las Vegas Stadium, LLC to First American Title Insurance Company for the benefit of Wells Fargo Trust Company, National Association dated July 20, 2018

10.20*	Omnibus Amendment by and among Clark County Las Vegas Stadium, LLC and Computershare Trust Company National Association, dated , 2024
10.21**	Naming Rights and Marketing Agreement, dated July 20, 2018, by and between Las Vegas Convention and Visitors Authority and Clark County Las Vegas Stadium LLC
10.22+**	Employment Agreement, dated September 29, 2023, by and between Howard Hughes Holdings Inc. and Anton Nikodemus
10.23+**	Employment Agreement, dated February 2, 2024, by and between Howard Hughes Holdings Inc. and Matthew Partridge
10.24+**	Employment Agreement, dated May 1, 2024, by and between Howard Hughes Holdings Inc. and Lucy Fato
10.25+*	Seaport Entertainment Group Inc. 2024 Equity Incentive Plan
21.1**	List of Subsidiaries
99.1**	Preliminary Information Statement of Seaport Entertainment Group Inc.
99.2*	Form of Notice Regarding the Internet Availability of Information Statement Materials

* To be filed by amendment.
** Filed herewith.
+ Management contract, compensatory plan or arrangement.

SIGNATURES

Pursuant to the requirements of Section 12 of the Securities Exchange Act of 1934, the registrant has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized.

SEAPORT ENTERTAINMENT GROUP INC.

By: /s/ Anton D. Nikodemus

Name: Anton D. Nikodemus
Title: Chief Executive Officer
Date: June 18, 2024

Exhibit 10.7
EXECUTION VERSION

SECOND AMENDED AND RESTATED LIMITED LIABILITY COMPANY AGREEMENT OF JG RESTAURANT HOLDCO LLC

Dated as of March 1st, 2022

THE INTERESTS EVIDENCED BY THIS AGREEMENT HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR THE SECURITIES ACT OF ANY STATE, HAVE BEEN ACQUIRED FOR INVESTMENT, AND MAY NOT BE SOLD, OR OTHERWISE DISPOSED OF, OR OFFERED FOR SALE UNLESS REGISTRATION STATEMENTS UNDER SUCH ACTS WITH RESPECT TO SUCH INTERESTS ARE THEN IN EFFECT OR EXEMPTIONS FROM THE REGISTRATION REQUIREMENTS OF SUCH ACTS ARE THEN APPLICABLE TO SUCH OFFER OR SALE, AND UNLESS THE PROVISIONS OF THIS AGREEMENT ARE SATISFIED.

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Annex A – Definitions
Annex B – Member Information

Exhibit A – Initial Budget and Business Plan

SECOND AMENDED AND RESTATED LIMITED LIABILITY COMPANY AGREEMENT OF JG RESTAURANT HOLDCO LLC (this "Agreement") made and entered into as of March 1st, 2022 (the "Effective Date"), by and among JG Restaurant HoldCo LLC, a Delaware limited liability company (the "Company"), Howard Hughes Hospitality, LLC, a Delaware corporation ("HHC"), JG TopCo LLC, a Delaware limited liability company ("JG TopCo") and Jean-Georges Vongerichten ("JG"). Capitalized terms used herein shall have the meanings assigned to them in Annex A hereto or elsewhere in this Agreement.

WHEREAS, effective as of December 6, 2021, JG entered into a series of Distribution Agreements and Contribution Agreements among JG, JG TopCo, JG Restaurant Group LLC, a Delaware limited liability company ("JGRG"), JG IP CO LLC, a Delaware limited liability company ("JG IP Co" and together with JGRG, the "Seller OpCos") and the Company (the "Group Contribution Agreements"), whereby (i) 100% of the issued Equity Securities of JG TopCo became wholly owned by JG, (ii) 100% of the issued Equity Securities of the Company became wholly owned by JG TopCo, (iii) 99.9% of the issued Equity Securities of JGRG became wholly owned by the Company and (iv) 100% of the issued Equity Securities of JG IP Co became wholly owned by the Company, and such ownership structure is in place as of the date of this Agreement;

WHEREAS, effective as of January 1, 2022, Chloe Vongerichten (the "**Minority Member**") contributed 100% of her equity interests in JGRG to the Company in exchange for one unit in the Company (the "**Minority Member Contribution**");

WHEREAS, HHC, JG TopCo and the Company have entered into a Membership Interest Purchase Agreement, dated as of the Effective Date (the "MIPA"), pursuant to which, among other things, JG TopCo transferred Units to HHC (as reflected on Annex B) and the Company issued the Warrant to HHC;

WHEREAS, it is agreed by the parties hereto that, upon consummation of the purchase and sale of the "Purchased Company Interests" under the MIPA, (i) HHC owned 25% of the issued and outstanding Interests in the Company and (ii) the Seller and the Minority Member collectively owned 75% of the issued and outstanding Interests in the Company;

WHEREAS, effective immediately following the Closing under the MIPA and prior to the execution of this Agreement, the Seller purchased 100% of the Minority Member's Interest in the Company from the Minority Member for cash (the "**Minority Member Buyout**");

WHEREAS, HHC and JG TopCo desire to participate as members of the Company; and

WHEREAS, JG has agreed to guarantee all of JG TopCo's obligations hereunder and to provide certain services to the Company in his individual capacity, which shall be governed by certain provisions hereof.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, JG, the Members and the Company, intending legally to be bound, agree as follows:

Section 1
Defined Terms

1.1 Definitions. Capitalized terms used herein without definition shall have the respective meanings assigned to them in Annex A hereto, which is hereby incorporated into this Agreement as if set forth in full herein.

Section 2
Formation and Name; Purpose; Term; Office; Members

2.1 Organization; Qualification. The Company was formed as a limited liability company pursuant to the Act upon the filing of the Certificate of Formation in the Office of the Secretary of State of the State of Delaware on the date of this Agreement. Prior to the Company's conducting business in any jurisdiction other than Delaware, the Company will comply with all requirements necessary to qualify the Company as a foreign limited liability company in such jurisdiction.

2.2 Name of the Company. The name of the Company is "JG Restaurant HoldCo LLC". All business of the Company shall be conducted under such name and such name shall be used at all times in connection with Company's business and affairs, except as otherwise determined by the Board (subject to approval under Section 6.2(b)) in compliance with applicable law (but for the avoidance of doubt, except as otherwise determined by the Board and subject to compliance with applicable law, the CEO shall determine the names of individual restaurants operated by the Company and its Subsidiaries).

2.3 Purpose; Nature; No State Law Partnership. The purpose of the Company shall be to engage in any business or activity for which a limited liability company may be formed under the Act. Except as set forth in the next succeeding sentence, the Company is not intended to be a general partnership, limited partnership or joint venture, and no Member shall be considered to be a partner or joint venturer of any other by virtue of this Agreement or any other Transaction Document. The Members intend that the Company shall be treated as a continuation of JG Restaurant Group LLC and as a partnership (that is not a publicly traded partnership) for federal and, if applicable and permissible, state and local income tax purposes, and each Member and the Company shall file all tax returns and shall otherwise take all tax and financial reporting positions in a manner consistent with such treatment.

2.4 Authority. The Company shall have all the powers necessary or convenient to affect any purpose for which it is formed, including all powers granted by the Act.

2.5 Term. The term of the Company began upon the acceptance of the Certificate of Formation by the office of the Secretary of State of the State of Delaware and the Company shall continue perpetually, unless and until its existence is terminated as provided in Section 10.

2.6 Registered Agent and Office; Principal Office. The registered agent for service of process on the Company in the State of Delaware shall be the initial registered agent named in the Certificate of Formation or such other Person or Persons as the CEO may designate from time to time in accordance with the Act. The registered office of the Company in the State of Delaware shall be the office of the initial registered agent named in the Certificate of Formation or such other office (which need not be a place of business of the Company) as the CEO may designate from time to time in accordance with the Act. The principal office of the Company shall be at any location that the CEO may designate from time to time.

2.7 Members; Membership Schedule. The present name, mailing address, number of Unit holdings, Percentage Share and Capital Contributions of each Member as of the Effective Date are set forth on Annex B hereto. Annex B shall be maintained and supplemented by the Members from time to time so that it sets forth the then current name, mailing address, number of Unit holdings, Percentage Share and Capital Contributions of each Member; provided, that changes in Unit holdings, Percentage Share and Capital Contributions pursuant to the terms hereof shall be effective regardless of any failure of the Members to so modify Annex B hereto to reflect such change.

2.8 Liability of the Members Generally. Except as otherwise expressly provided in this Agreement and/or the Act, no Member (or former Member) shall be obligated to make any contribution of

capital (or lend any funds) to the Company. Except as otherwise expressly provided in the Act (and without limitation of any capital contribution obligations expressly specified in this Agreement and/or the Act), no Member (or former Member) shall have any liability for the debts and/or obligations of, or any obligation to make any capital contribution or loan to, the Company. This Section 2.8 is in furtherance of, and not in limitation of, Section 18-303(a) of the Act.

2.9 Guarantee and Other Obligations Concerning JG TopCo, JGV Consulting LLC and JG.

(a) Notwithstanding any provision of this Agreement to the contrary, all voting, approval, veto, consent and similar decision-making rights herein held by JG TopCo shall be exclusively determined by JG, and JG shall not enter into any agreement restricting his ability to make such decisions with any other Person, and all references to restrictions on Transfer by JG TopCo shall be deemed to include Transfers by JG of such rights.

(b) JG TopCo's organizational documents (including its certificate of formation and limited liability company agreement (and/or any replacement or substitute thereof)) may not be amended in any manner that would allow any Person other than JG to vote or make any approval, veto, consent or other decision on behalf of or for the benefit of JG TopCo or JG (in relation to JG TopCo or the Company or any of its Subsidiaries), to the extent any such vote, veto, consent or other decision would affect the Company or its Subsidiaries or any decision of any such Person, or to allow more than 20% of the aggregate Equity Securities of JG TopCo to be owned by any Person other than JG or a Permitted Transferee of JG, without the prior written consent of HHC. JGV Consulting LLC's organizational documents (including its certificate of formation and limited liability company agreement (and/or any replacement or substitute thereof)) may not be amended in any manner that would allow any Person other than JG to hold a majority of the equity (or economic) interests, voting, approval ,veto, consent or other decision-making power of JGV Consulting LLC.

(c) JG hereby absolutely, unconditionally and irrevocably guarantees to HHC and the Company, and their permitted assigns, , as a primary obligor and not merely as a surety, the full and prompt payment and performance when required and due of any and all of JG TopCo's obligations under this Agreement (the "Obligations"). JG irrevocably waives presentment, demand, protest, and any notice not provided for in this Agreement. JG acknowledges and agrees that HHC and the Company would not enter into this Agreement or consummate the transactions contemplated hereby unless JG provides this guaranty and that JG will benefit personally from JG TopCo, HHC and the Company entering into this Agreement and consummating such transactions. This guaranty will survive the consummation of the Closing (as defined in the MIPA) and remain in full force and effect until all of the Obligations have been fully discharged pursuant to the terms of this Agreement. JG hereby agrees that HHC may proceed against Parent before or after, or simultaneously with, proceeding against JG TopCo for a breach or default by JG TopCo under or in connection with the Obligations. Should HHC seek to enforce the obligations of JG under this Section 2.9 by action in any court or otherwise, JG waives any requirement, substantive or procedural, that HHC first enforce any rights or remedies against JG TopCo or any other Person liable to HHC for all or any part of the Obligations, including, without limitation, that a judgment first be rendered against JG TopCo or any other Person, or that JG TopCo or any other Person should be joined in such cause. Such waiver shall be without prejudice to HHC's right, at its option, to proceed against JG TopCo or any other Person, whether by separate action or by joinder. This guaranty shall not be terminated or impaired in any way by reason of the bankruptcy or insolvency of JG TopCo or JG. This guaranty is binding upon JG and JG's and JG TopCo's successors, including, without limitation, any Person obligated by operation of law upon the reorganization, merger, consolidation or other change in the organizational structure of JG TopCo. The guaranty provided in this Section 2.9 is an unconditional and continuing guarantee of payment of the Obligations and not of collection.

Section 3
Units

3.1 Units. All interests of the Members in distributions and other amounts specified in this Agreement, as well as the rights of Members (if any) to vote on, consent to, or approve any matter related to the Company (in accordance with and subject to the terms of this Agreement), shall be denominated in common units of Interests in the Company (each a "Unit" and collectively, the "Units"), and the relative rights, privileges, preferences and obligations of the Members with respect to Units shall be determined under this Agreement and the Act to the extent provided herein and therein.

3.2 Forfeitures of JG TopCo Units; Cessation of Services and Removal for Cause. In the event (i) JG provides notice to HHC or the Company prior to the Lock-Up Expiration Date that he will no longer devote his full business time to the Company and its Subsidiaries (other than (x) a cessation of services as a result of a material breach by HHC of its obligations of this Agreement adversely affecting JG or JG TopCo not cured by HHC within twenty (20) Business Days' after written notice by JG, or (y) resignation by JG for Good Reason), or (ii) a Cause Event (as defined in below) has occurred (in each case of clauses (i) and (ii), excluding a failure of JG to devote his full business time due to Disability (as defined below) or death (but in either case, subject to HHC's ability to exercise a Call in accordance with Section 7.4)), upon written notice from HHC to JG and JG TopCo:

(a) fifty percent (50%) of JG TopCo and its Permitted Transferees' Units as of the fifth day following delivery of such notice (the "Cessation of Services Date") shall automatically be forfeited and cancelled for no consideration as of such date (and Annex B shall be revised accordingly);

(b) JG shall no longer be the CEO (or in the event JG has not resigned as CEO, HHC may exercise its right to remove JG as CEO by written notice to JG and the CEO);

(c) the Company shall no longer be obligated to pay the Management Fee to JG or JGV Consulting LLC, except for amounts that have already accrued and remain payable as of such time;

(d) JG and all of the JG Directors shall be automatically removed from the Board (and JG TopCo shall thereafter no longer be entitled to designate a Director); and

(e) solely in the event that (i) without the occurrence of a Cause Event, a forfeiture is triggered in accordance with Section 3.2(i) above, and (x) JG engages in any business that competes with the Business or (y) after such forfeiture and cancellation of JG TopCo and its Permitted Transferees' Units the remaining Units held by JG TopCo and its Permitted Transferees comprise a Percentage Share of less than 20% or (ii) a Cause Event has occurred, then all of JG TopCo's and its Permitted Transferees' voting, approval, consent and decision-making rights specified herein (including the Major Decisions under Section 6.2 and any right to designate a Director) shall terminate automatically (and HHC shall thereafter assume the rights of JG TopCo and its Permitted Transferees' with respect to the designation of the JG Directors), other than the right, for so long as JG and his Permitted Transferees hold a Percentage Share of at least ten percent (10%), to veto any transaction or contract with HHC or any Affiliate of HHC that is not on arms-length terms (provided, that payment of the Management Fee to HHC or its Affiliates or a designee thereof providing services to the Company and its Subsidiaries shall be determined as a Major Decision under Section 6.2).

Section 4
Capital Contributions; Budgets; Preemptive Rights

4.1 Capital Contributions. In connection with the Contribution Agreement, on the Effective Date, each Member has made Capital Contributions in the amount (or with respect to property other than cash, with an Agreed Value) specified next to its name on Annex B hereto. No Member shall have any obligation to the Company, to any other Member or to any third party, including any creditor of the Company, to make any additional capital contributions to the Company, and no Member in its capacity as such shall be liable for the debts, obligations or liabilities of the Company. Subject to the prior written approval of HHC and JG TopCo, in the event of an anticipated cash deficiency at the Company or any of its Subsidiaries, the Members may make loans or capital contributions for equity to the Company, pro rata based on their respective Percentage Shares or otherwise, on terms to be mutually agreed.

4.2 Operating Budget.

(a) A detailed initial budget of the Company and its Subsidiaries (subject to approval by the Board and HHC, as in effect from time to time, the "Budget") for the period beginning on January 1, 2022 and ending December 31, 2022 is attached as Exhibit A, together with the fuller initial five-year business plan of which the initial Budget (as to the year fiscal year 2022) is a part (subject to approval by the Board and HHC, as in effect from time to time, the "Business Plan"). The Budget and the Business Plan attached as Exhibits A is hereby deemed to have been approved by the Board and HHC for the periods set forth therein. No later than one-hundred and twenty (120) days prior to the start of the Fiscal Year ending December 31, 2023 and any subsequent Fiscal Year, the CEO and the other Officers shall prepare and submit to the Board and HHC for their review and approval (with respect to HHC under Section 6.2(l)) a proposed budget and business plan for the next Fiscal Year and five-year period including such Fiscal Year in the same form attached as Exhibit A (or in such other form as is otherwise approved by HHC), respectively.

(b) Subject to approval under Section 6.2(l), the Board may at any time modify any Budget or Business Plan.

4.3 Preemptive Rights.

(a) If, at any time after the date of this Agreement, the Company (subject to approval under Section 6.2(j)) proposes to issue or sell any Interests (including any Units) in the Company or securities directly or indirectly exercisable or exchangeable for, or convertible into, Interests (or Units) in the Company (including any option, warrant or other right to subscribe for, purchase or otherwise acquire Interests (or Units) in the Company, the "Preemptive Securities"), then, prior to any such issuance or sale, the Company shall give HHC and JG TopCo written notice of such proposed issuance or sale describing in reasonable detail the Preemptive Securities (including the number proposed to be issued or sold), the purchase price per unit of Preemptive Securities, the payment and other material terms and such Member's Preemptive Securities Pro Rata Portion (each such written notice, a "Preemptive Rights Notice"). Each of HHC and JG TopCo shall have the option, exercisable by written notice to the Company within 30 days after receipt by such Member of the Preemptive Rights Notice (such written notice, an "Exercise Notice" and such period, the "Exercise Period"), to elect to purchase from the Company, on the same terms and conditions as set forth in the Preemptive Rights Notice, all or any portion of its Preemptive Securities Pro Rata Portion (as defined below), *plus* in the event the other Member does not exercise their pre-emptive rights hereunder with respect to their entire Preemptive Securities Pro Rata Portion pursuant to a timely Exercise Notice, all or any portion of such Preemptive Securities in accordance with the following sentence. The "Preemptive Securities Pro Rata Portion" for any Member shall be such portion of the Preemptive Securities equal to the Percentage Share of such Member. In any Exercise Notice, the Member electing to

exercise its pre-emptive rights pursuant to this Section 4.3 (each, an "Electing Member") shall specify the number of Preemptive Securities, up to its Preemptive Securities Pro Rata Portion, that it desires to purchase, and subject to the other Member not exercising his or its pre-emptive rights hereunder with respect to such other Member's entire Preemptive Securities Pro Rata Portion pursuant to a timely Exercise Notice, such remaining portion of Preemptive Securities. Any Member who shall fail to give the Company an Exercise Notice during the Exercise Period (or does not timely exercise such Member's pre-emptive rights with respect to his or its Preemptive Securities Pro Rata Portion) shall be deemed to have forfeited such Member's right to acquire the Preemptive Securities offered (or the portion thereof not exercised) pursuant to such Preemptive Rights Notice but, for the avoidance of doubt, any such failure shall not affect such Member's pre-emptive rights pursuant to this Section 4.3 with respect to any future issuances or sales of Preemptive Securities.

(b) During the 120 days (which such 120-day period may be extended for a reasonable time to obtain any required regulatory approvals) following the expiration of the Exercise Period, the Company shall be entitled to issue or sell the Preemptive Securities described in the Preemptive Rights Notice with respect to which the Electing Members declined to exercise the pre-emptive right set forth in this Section 4.3 on a price per unit of Preemptive Securities not less than, and otherwise on terms no less favorable to the Company than, those set forth in the Preemptive Rights Notice. If the Company has not sold such Preemptive Securities within such time period, the Company shall not thereafter issue or sell any Preemptive Securities without first again offering such securities to the Members in accordance with the procedures set forth in this Section 4.3.

(c) The closing of the issuance or sale of Preemptive Securities to any Electing Member shall occur on the date and at the location specified by the Company in the Preemptive Rights Notice, subject to the other provisions of this Section 4.3.

(d) The Percentage Shares shall be automatically appropriately adjusted to reflect any issuance or sale of Preemptive Securities and an updated Annex B shall be circulated to the Members by the Company in accordance with Section 2.7.

Section 5
Capital Accounts; Distributions; Allocations

5.1 Capital Accounts.

(a) A Capital Account shall be maintained for each Member in accordance with the rules of Treasury Regulations Section 1.704-1(b)(2)(iv). The Capital Account of each Member shall be credited with (i) the amount of any Capital Contribution made in cash by such Member, (ii) the Agreed Value (net of any liabilities the Company is considered to assume under or take subject to Section 752 of the Code) of any Capital Contribution made in property other than cash by such Member, (iii) allocations to such Member of Net Income pursuant to Section 5.2, and (iv) any other item required to be credited for proper maintenance of capital accounts by the Treasury Regulations under Section 704(b) of the Code. A Member's Capital Account shall be debited with (w) the amount of any cash distributed to such Member, (x) the Agreed Value (net of liabilities that such Member is considered to assume under or take subject to Section 752 of the Code) of any property other than cash distributed to such Member, (y) allocations to such Member of Net Loss pursuant to Section 5.2, and (z) any other item required to be debited for proper maintenance of capital accounts by the Treasury Regulations under Section 704(b) of the Code. Each Member's Capital Account shall be adjusted as required by Treasury Regulation Section 1.704-1(b)(2)(iv)(f) to reflect a revaluation of Company Property at Agreed Value upon the occurrence of any event described in Treasury Regulation Section 1.704-1(b)(2)(iv)(f)(5) based upon the manner in which

gain or loss upon a sale of all the assets of the Company for Agreed Value would be allocated and, in the case of any revaluation while the Warrant is outstanding.

(b) In the event that all or any portion of any Interest is transferred (or deemed transferred) in accordance with this Agreement, the transferee(s) of such Interest shall succeed to all or the corresponding portion, as the case may be, of the transferor's Capital Account.

5.2 Book Allocation of Net Income and Net Loss.

(a) Except as otherwise provided in Sections 5.2(b) through (h) and (k), Net Income or Net Loss for any Fiscal Year, and to the extent that the Board determines it is necessary or appropriate, individual items of income, gain, loss and deduction of the Company shall be allocated among the Members so as to cause each Member's Adjusted Capital Account balance to equal as nearly as possible (i) the amount of the distribution pursuant to Section 10.2(c) which such Member would receive if, at the end of such Fiscal Year, each Company asset were sold for an amount of cash equal to such asset's Book Value, each liability of the Company were satisfied in cash in accordance with its terms (limited, with respect to each Nonrecourse Liability, to the Book Value of any asset or assets securing such Nonrecourse Liability), and all remaining cash of the Company were distributed to the Members in accordance with Section 5.4 minus (ii) such Member's shares of Company Minimum Gain and Minimum Gain Attributable to Member Nonrecourse Debt, computed immediately prior to the hypothetical sale of assets.

(b) If there is a net decrease in Company Minimum Gain during a Company taxable year, each Member shall be specially allocated items of income and gain for such year (and, if necessary, for subsequent years) in the order specified in Treasury Regulation Section 1.704-2(j)(2) in proportion to, and to the extent of, an amount equal to the portion of such Member's share of the net decrease in Company Minimum Gain during such year (which share of such net decrease shall be determined under Treasury Regulation Section 1.704-2(g)(2)). This Section 5.2(b) is intended to be a "minimum gain chargeback" described in Treasury Regulation Section 1.704-2(f) and is to be interpreted in a manner consistent therewith.

(c) If there is a net decrease during a Company taxable year in the Minimum Gain Attributable to a Member Nonrecourse Debt (as determined under Treasury Regulation Section 1.704-2(i)(3)), any Member with a share of Minimum Gain Attributable to such Member Nonrecourse Debt at the beginning of such year shall be specially allocated items of income and gain for such year (and, if necessary, for subsequent years) in the order specified in Treasury Regulation Section 1.704-2(j)(2) in proportion to, and to the extent of, an amount equal to the portion of such Member's share of the net decrease in Minimum Gain Attributable to such Member Nonrecourse Debt (as determined under Treasury Regulation Section 1.704-2(g)(2)), during such year. This Section 5.2(c) is intended to be a "partner minimum gain chargeback" described in Treasury Regulation Section 1.704-2(i)(4) and is to be interpreted in a manner consistent therewith.

(d) Items of Company loss, deduction or Section 705(a)(2)(B) Expenditure that are attributable to a Member Nonrecourse Debt shall be allocated among the Members who bear the Economic Risk of Loss for such Member Nonrecourse Debt. This provision is to be interpreted in a manner consistent with the requirements of Treasury Regulation Section 1.704-2(i)(1).

(e) The Nonrecourse Deductions for each taxable year of the Company shall be allocated to the Members in proportion to their Percentage Shares.

(f) In the event that any Member unexpectedly receives any adjustments, allocations or distributions described in Treasury Regulation Section 1.704-1(b)(2)(ii)(d)(4), 1.704-1(b)(2)(ii)(d)(5), or

1.704-1(b)(2)(ii)(d)(6), items of Company income and gain shall be specifically allocated to such Member in an amount and manner sufficient to eliminate, to the extent required by the Treasury Regulations promulgated under Section 704(b) of the Code, the deficit balance, if any, in its Adjusted Capital Account created by such adjustments, allocations or distributions as quickly as possible. This provision is intended to be a "qualified income offset" described in Treasury Regulation Section 1.704-1(b)(2)(ii)(d) and is to be interpreted in a manner consistent therewith.

(g) To the extent that an adjustment to the adjusted tax basis of any Company Property pursuant to Code Section 734(b) or Code Section 743(b) is required, pursuant to Treasury Regulations Section 1.704-1(b)(2)(iv)(m)(2) or Treasury Regulations Section 1.704-1(b)(2)(iv)(m)(4), to be taken into account in determining Capital Accounts as a result of a distribution to a Member, the amount of such adjustment to the Capital Accounts shall be treated as an item of gain (if the adjustment increases the basis of the Company Property) or loss (if the adjustment decreases the basis of the Company Property), and such gain or loss shall be allocated to the Members in accordance with Treasury Regulation Section 1.704-1(b)(2)(iv)(m)(2) or Treasury Regulation Section 1.704-1(b)(2)(iv)(m)(4), as the case may be.

(h) In the event that any item of Company income, gain, loss, deduction or Section 705(a)(2)(B) Expenditure is allocated pursuant to Section 5.2(b) through (g), subsequent items of Company income, gain, loss, deduction or Section 705(a)(2)(B) Expenditure (as determined for purposes of computing Net Income or Net Loss) shall, to the extent consistent with Section 5.2(b) through (g), be allocated between the Members so as to eliminate as quickly as possible on a proportionate basis, with respect to each Member, any disparity between (i) the sum of (x) such Member's Capital Account balance and (y) such Member's share of Company Minimum Gain and Minimum Gain Attributable to Member Nonrecourse Debts determined in accordance with Treasury Regulation Sections 1.704-2(g) and (i)(5) and (ii) the Capital Account which such Member would have had if all Company Minimum Gain and Minimum Gain Attributable to any Member Nonrecourse Debt had been realized and all allocations of Net Income and Net Loss had been made pursuant to Section 5.2(a) (without giving effect to the reference therein to Section 5.2(b) through (h)).

(i) In the event that any item or items of income, gain, loss or deduction of the Company or any Member (or any Person related to a Member) is reallocated between the Company and any Member (or any Person related to a Member) pursuant to Code Section 482, then the allocation of the income, gain, loss or deduction of the Company for the year in which such reallocation occurs shall be made in such a fashion that the Capital Accounts of all Members, after taking into account any deemed contributions or distributions arising in connection with such reallocation, shall be equal to what they would have been if no reallocation had occurred.

(j) In the event that the Percentage Shares of the Members shall change pursuant to the terms of this Agreement, there shall be an interim closing of the books of the Company as of the close of the day of such change (the "Interest Change Date") and the Capital Accounts of the Members shall be revalued pursuant to Treasury Regulation Section 1.704-1(b)(2)(iv)(f) effective immediately prior to the event giving rise to the interim closing of the books of the Company. The Net Income or Net Loss of the Company for the period ending on the Interest Change Date shall be allocated to the Members in accordance with their respective Percentage Shares in effect prior to the Interest Change Date. The Net Income or Net Loss of the Company for any period commencing after the Interest Change Date shall be allocated to the Members in accordance with their respective Percentage Shares in effect after the Interest Change Date. Notwithstanding the foregoing, if the Interest Change Date is not the last day of a month, Net Income or Net Loss of the Company for the month in which the Interest Change Date occurs shall be prorated on a daily basis between the portion of the month ending on the Interest Change Date and the remainder of such month.

(k) In the event that any Member contributes any services to the Company, or a Member otherwise provides or makes available such services to the Company and in connection therewith the Company is entitled to a current tax deduction (including depreciation and amortization allowed in any current year) in excess of the amount paid for such services by the Company in cash or property (other than an interest in the Company) or otherwise taken into account as part of the Agreed Value of such Member's Capital Contributions contributed to the Company on the Effective Date, the amount of such excess shall be treated as a Capital Contribution by such Member and a corresponding amount of the Company's deductions shall be specially allocated to such Member, with no net effect on such Member's Capital Account.

(l) The provisions of this Section 5.2 shall also apply to any Subsidiary of the Company that is treated as a partnership for federal income tax purposes.

5.3 Tax Allocations. For income tax purposes, all items of income, gain, loss, deduction and credit shall be allocated among the Members in the manner set forth in Section 5.2; provided, however, that (a) all items of income, gain, loss and deduction with respect to any property contributed to the Company by a Member (or revalued pursuant to the last sentence of Section 5.1(a)) shall be allocated for income tax purposes so as to take into account any variation between the adjusted tax basis of such property and its Agreed Value at the time of contribution (or the event requiring revaluation) in accordance with Section 704(c) of the Code (and Treasury Regulation Section 1.704-1(b)(2)(iv)(f)) and the remedial method described in Treasury Regulation Section 1.704-3(d), (b) any gain arising from a disposition of Company Property that is characterized as ordinary income pursuant to Section 1245 or 1250 or any other applicable provision of the Code shall, to the extent that other items can be allocated in such a way that this proviso does not affect the total amount of taxable income or loss allocable to any Member for tax purposes, be allocated to the Members who were allocated the depreciation or other deductions giving rise to such ordinary income in proportion to the deductions allocated to such Members (treating any such deductions allowable to any Member or Affiliate thereof for any period during which the Company Property was held by such Member or Affiliate as deductions allocable to such Member) and (c) creditable foreign taxes shall be allocated in accordance with Treasury Regulation § 1.704-1(b)(4)(viii). Any increase (or decrease) in taxable income or loss resulting from adjustments to the basis of the assets of the Company made pursuant to Section 743 of the Code shall be taken into account by the Member or Members to which such adjustment is attributable. The provisions of this Section 5.3 shall also apply to any Subsidiary of the Company that is treated as a partnership for federal income tax purposes.

5.4 Distributions.

(a) Distributions. The Board may, from time to time, cause the Company to distribute Available Cash pro rata to the holders of Units in accordance with their respective Percentage Shares.

(b) The Company and its Subsidiaries shall, to the extent required by applicable law, withhold taxes from distributions made to any Member, or pay taxes on behalf of any Member (including with respect to a Transfer) pursuant to Sections 1441, 1442, 1445 or 1446 or 1471-1474 of the Code or any similar provision of federal, state, local, or foreign law. Any taxes so withheld shall be deemed to have been distributed to such Member or, to the extent that any such tax is not withheld from a distribution, such Member shall promptly reimburse the Company therefor. If any imputed underpayment (including associated interest, penalties, or additions to tax) is required to be paid by the Company or its Subsidiaries pursuant to Section 6225 of the Code or other applicable law with respect to income allocable to a Member or former Member, such Member or former Member (and, in the case of a former Member, its transferee) shall promptly (and in any event within 90 days) reimburse the Company therefor. Any amount due from a Member or a former Member to the Company pursuant to the two (2) preceding sentences shall bear interest at the "prime rate" (as specified in The Wall Street Journal, from time to time) plus three percent

(3%) from the time of payment by the Company of the tax or imputed underpayment to the time of payment by the Member or former Member, and the Company may offset such amounts against distributions or other amounts due from the Company to such Member. A Member's obligations pursuant to this Section 5.4(b) shall continue even if such Member ceases to be a Member. The amount of any Partnership Level Taxes paid by the Company or any relevant Subsidiary shall be treated as having been paid by the Company or any relevant Subsidiary on behalf of the Member to which the underlying income is allocable.

(c) Anything in Section 5.4 to the contrary notwithstanding, no distribution shall be made by the Company to the extent that such distribution is prohibited by, or otherwise would violate, any applicable law.

(d) No distribution shall be made by the Company except in accordance with this Section 5.4, Sections 1.2(c) or 6.4 of the MIPA, or as otherwise approved under Section 6.2(n).

(e) Notwithstanding anything to the contrary set forth herein, the parties hereto hereby acknowledge and agree that (i) the Working Capital Funding shall not be distributed to Unit holders, and shall be separated into an amount of $2,500,000 to support the working capital needs of the Company in accordance with the Budget, and $7,500,000 to be held only for investment in growth opportunities for the Company, provided that individual investments or any series of related investments that exceed $1,000,000 that are not expressly contemplated by the Budget shall not be made without the approval of HHC (collectively, the "Minimum Cash Balance Amount"), and (ii) in the event of the exercise by HHC of its rights under the Warrant to purchase additional Interests, any amounts received by the Company pursuant to such exercise shall be immediately distributed to JG TopCo as a special distribution, and no limitations on distributions set forth herein, including in this Section 5.4 or under Section 6.2(n), shall apply to such distribution. Each Member and the Company shall treat the exercise by HHC of its rights under the Warrant to purchase additional Interests followed by a special distribution to JG TopCo as a sale of such Interests by JG TopCo to HHC for U.S. federal and applicable state and local income tax purposes.

5.5 No Interest; No Return of Capital. No interest shall be payable on the Capital Contributions, or in respect of the Capital Accounts, of the Members. Except as expressly provided in this Agreement, no Member shall have the right to require that any portion of its Capital Contributions or Capital Account be returned or otherwise paid over to it.

5.6 Negative Capital Accounts. No Member shall be required to pay to any other Member or the Company any deficit or negative balance which may exist from time to time in such Member's Capital Account (including upon and after dissolution of the Company).

Section 6
Management; Rights, Powers and Duties

6.1 Board; Officers; CEO Obligations and Management Fee.

(a) The Board shall initially consist of four (4) Directors (subject to adjustment as contemplated in this Section 6.1(a), Section 3.2 and Section 7.8,) (x) one individual designated by JG TopCo subject to the approval of HHC (such approval not to be unreasonably withheld, delayed or conditioned) that qualifies as an "independent director" under Rule 5605 of the NASDAQ listing rules (the "Independent Director"), (y) two (2) individuals designated by JG TopCo, which individuals shall include JG (the "JG Executive Directors", and together with the Independent Directors, the "JG Directors"), and (z) one individual designated by HHC (the "HHC Director"); provided, however, that no party may designate a Director with respect to which a "bad actor" disqualifying event described in Rule 506(d)(1)(i)- (viii) under the Securities Act of 1933, as amended (each, a "Disqualification Event") is applicable, except,

if applicable, for a Disqualification Event as to which Rule 506(d)(2)(ii) or (iii) or (d)(3) is applicable. To the extent the Board shall constitute any committees, HHC will be entitled to have a representation in such committees in proportion to its representation on the Board. In the event the Percentage Shares of HHC or JG TopCo (together with their respective Permitted Transferees) change after the date hereof, the composition of the Board shall be adjusted as follows:

(i) in the event and for so long as HHC's Percentage Share (together with its Permitted Transferees) is equal to 25.1% or more and less than or equal to 50%, the Board shall be increased to consist of five (5) Directors, with HHC entitled to designate two HHC Directors (and with no change to the JG Directors as contemplated above);

(ii) in the event and for so long as HHC's Percentage Share (together with its Permitted Transferees) is equal to 50.1% or more and less than or equal to 75% and JG TopCo's Percentage Share (together with its Permitted Transferees) is equal to 25% or more and less than or equal to 49.9%, the Board shall consist of five (5) Directors, with HHC entitled to designate two HHC Directors, JG TopCo entitled to designate two JG Executive Directors, and HHC shall have the right to appoint the Independent Director, subject to the approval of JG TopCo (such approval not to be unreasonably withheld, delayed or conditioned);

(iii) in the event and for so long as HHC's Percentage Share (together with its Permitted Transferees) is equal to 75.1% or more and less than or equal to 90%, HHC shall be entitled to designate two (2) HHC Directors opposite JG (or another designee of JG TopCo) as the sole JG Executive Director (and the other JG Executive Director shall be automatically removed from the Board), and HHC shall have the right to appoint the Independent Director, subject to the approval of JG TopCo (such approval not to be unreasonably withheld, delayed or conditioned);

(iv) in the event and for so long as HHC's Percentage Share (together with its Permitted Transferees) is equal to 90.1% or more, HHC shall be entitled to designate all of the Directors in such number as HHC may determine from time to time (and JG shall be automatically removed from the Board and shall thereafter no longer be entitled to vote, designate a Director or approve a Major Decision); and

(v) in the event and for so long as JG TopCo's Percentage Share (together with its Permitted Transferees) is equal to 90.1% or more, JG TopCo shall be entitled to designate all of the Directors in such number as JG TopCo may determine from time to time (and the HHC Directors shall be automatically removed from the Board and shall thereafter no longer be entitled to vote, and HHC shall thereafter no longer be entitled to designate a Director or approve a Major Decision).

Notwithstanding anything to the contrary in this Agreement, JG shall be automatically removed from the Board and JG (or JGV Consulting LLC, as applicable) shall thereafter no longer be entitled to the Management Fee, the right to vote, designate a Director or approve a Major Decision in the event (each of clauses (i) and (ii), a "Competition Event"):(i) following the Lock-Up Expiration Date, (x) JG TopCo's Percentage Share (together with its Permitted Transferees) is equal to 20% or less, or (y) JG provides notice to the Company and HHC that JG will no longer devote his full business time to the Company and its Subsidiaries and in the case of either (x) or (y) exercises his right to terminate the obligations contained in Section 8.2(a) in accordance with the second sentence of Section 8.2(a), or (ii) JG otherwise breaches the obligations contained in Section 8.2(a), and does

not cure such breach within twenty (20) Business Days' of his receipt of written notice of such breach.

(b) The initial JG Directors and HHC Director(s) shall be the individuals as set forth on Schedule 6.1(a). HHC and only HHC may remove its designated HHC Director(s) and, except as otherwise contemplated by Sections 3.2, 6.1(a) or 7.8, and JG TopCo and only JG TopCo may remove its designated JG Director(s), at any time and for any reason (or no reason) by giving written notice of same to the Company (and the other Member, as applicable). If either JG TopCo or HHC has terminated a JG Executive Director or HHC Director (as applicable) that it designated, JG TopCo or HHC, as applicable, may designate a replacement Director in such termination notice or in a subsequent notice to such other Member (but in the case of a replacement Independent Director, subject to the approval of (i) HHC, at any time that JG TopCo is entitled to appoint the Independent Director or (ii) JG TopCo, at any time that HHC is entitled to appoint the Independent Director (in the case of either (i) or (ii), such approval not to be unreasonably withheld, delayed or conditioned)). The Members agree to take all actions reasonably necessary for the prompt appointment to the Board of any such replacement Director designated by a Member (or the Members).

(c) The Board shall have full authority to manage and control the business, affairs and properties of the Company, subject to the terms of this Agreement, including the rights to approve Major Decisions under Section 6.2. The Board may appoint or remove (and may cause the Company's Subsidiaries to appoint or remove) such officers of the Company (or its Subsidiaries) (each, an "Officer") with such authority, duties and responsibilities as the Board may determine from time-to-time.

(d) JG hereby agrees to provide his services to the Company and its Subsidiaries as the Chief Executive Officer of the Company ("CEO") and to devote his full business time and attention to the business and affairs of the Company and its Subsidiaries and to perform his duties in a diligent, competent, professional and skillful manner, consistent in all material respects with the past practices of the Company (other than in respect of the Company's financial and accounting practices, the performances of which shall be consistent in all material respects with prudent industry business practice and GAAP) and in accordance with applicable laws and industry policies applicable to the Company and its Subsidiaries. In the event and to the extent JG may perform (subject to the restrictions set forth in Section 8) any personal services or otherwise utilize the JEAN GEORGES name or mark for profit, including any media appearances, hosting, books, publications or special events ("Personal Matters"), which Personal Matters shall not be permitted hereunder in the event they detract from JG's provision of services as CEO to the Company, JG shall promptly assign or otherwise deliver the revenues from any such Personal Matters to the Company.

(e) For so long as JG provides his services in accordance with the terms of Section 6.1(d), but subject to termination by the Company or the applicable purchaser in the event of a Sale Transaction (in which case JG's CEO appointment and service obligations under Section 6.1(d) shall cease subject to negotiation of a commercially reasonable agreement with the purchaser as contemplated by Section 7.5(c)(iv)(x)) or consummation of a Buy/Sell Offer, or as otherwise terminated as contemplated by Sections 3.2(c) or 6.1(a), beginning on the date hereof, the Company shall pay to JGV Consulting LLC an annual management fee (payable in installments on the first day of each month, and pro rata in respect of any partial month) (the "Fee Payment Date") of (i) until the exercise of the Warrant, $4,000,000 per year and (ii) after the exercise of the Warrant, $3,000,000 per year, such amount to increase automatically by 3% each calendar year after the date hereof ((i) and (ii), subject to the following proviso, the "Management Fee"); provided, however, that to the extent that the lesser of the Company's available free cash flows (after deduction of overhead costs and expenses) for the applicable month, and working capital at the time a Management Fee installment is due (such lesser amount, the "Fee Threshold"), is less than the amount of the Management Fee installment(s) due at such time (including any outstanding prior Management Fee or

portion thereof), the Management Fee(s) payment shall be accordingly reduced to such lesser amount, and the portion of such Management Fee that the Company does not pay shall remain an obligation of the Company, payable to JGV Consulting LLC at the next Fee Payment Date (subject to the Fee Threshold) and in priority to any distribution of cash to the Members under Section 5.4. Notwithstanding anything in this Agreement to the contrary, JG and JGV Consulting LLC hereby acknowledge and agree that in the event of a Sale Transaction, a Management Fee consistent with clause (ii) of the definition of Management Fee above would be a reasonable Management Fee. For so long as JG TopCo is a Member and entitled to consent to Major Decisions under Section 6.2, it is understood and agreed that in the event that the Management Fee is no longer payable to JGV Consulting, JG TopCo shall have the right to approve of a reallocation of the Management Fee to HHC or its Affiliates or a designee thereof providing services to the Company and its Subsidiaries. The fees and payments referred to in this Section 6.1(e) shall be treated as guaranteed payments under Section 707(c) of the Code.

(f) No Officer or employee shall constitute a "manager" of the Company within the meaning of the Act. Except to the extent, if any, that such authority is granted to any of them by the Board, no Officer or employee shall have the authority to bind the Company. The Board hereby grants the CEO authority to bind the Company with respect to the day-to-day management of the Company and its Subsidiaries provided for in the applicable Budget and Business Plan. The powers of the Officers or employees (including the CEO) shall in any event be subject to Section 6.2. Without limitation of, and subject to, any authority and/or other rights expressly granted hereunder to a Member to act unilaterally (including, for the avoidance of doubt, the authority of the Partnership Representative), no Member, by virtue of his, her or its status as a member of the Company or any of its Subsidiaries (or holder of any Interest or other security in the Company or any of its Subsidiaries), shall have any management power over the business and affairs of the Company or its Subsidiaries or actual or apparent authority to enter into contracts on behalf of, or otherwise to bind, the Company or its Subsidiaries.

6.2 Actions Requiring Member Consent. The Company shall not have the authority to (or to cause any of its Subsidiaries to), and shall not (and shall not cause any of its Subsidiaries to), and without limiting the generality of the foregoing, no Member, Officer or employee shall have the authority to (or to cause any of the Company's Subsidiaries to), and no Member, Officer or employee shall, or shall cause the Company or any of its Subsidiaries to, take any of the following actions (such actions being herein collectively called the "Major Decisions"), except (x) as expressly contemplated by the applicable Budget and Business Plan, or (y) with the prior written consent of each of JG TopCo (subject to Sections 3.2, 6.1(a) (including in connection with a Competition Event) and 7.8, and provided, however, that with respect to a Sale Transaction contemplated by Section 7.5 and approved by HHC and/or any change in form contemplated by 7.2(b), such consent by JG TopCo with respect to any applicable Major Decision shall not be unreasonably withheld, delayed or conditioned) and HHC (each of the following clauses being in addition to, and not in limitation of, each other of the following clauses):

(a) cause a dissolution or wind up of the Company or any Subsidiary (other than dissolution or winding up of an immaterial Subsidiary in connection with the cessation of management services provided by such Subsidiary);

(b) change the name or purpose of the Company or any Subsidiary (other than a change in the name of a particular restaurant), other than as required by law, or change the registered office or registered agent of the Company or any Subsidiary;

(c) do (or cause the Company or any Subsidiary to do) any of the following, unless such action is not inconsistent with the currently approved Business Plan and Budget or such action is in the Ordinary Course:

(i) incur any Company or Subsidiary Indebtedness or commit to incur any such Indebtedness, whether on a secured or unsecured basis;

(ii) execute any documentation to incur any Company or Subsidiary Indebtedness, including any loan agreement, promissory note or mortgage or security deed, lien or encumbrance, which secures any Indebtedness (or any part thereof or any interest therein), or any guarantee by, or on behalf of, the Company or any Subsidiary;

(iii) modify, amend, prepay, increase, renew, extend or consolidate any Company or Subsidiary Indebtedness (or any loan document evidencing or securing any such Indebtedness) which, when obtained, was either approved or required to be approved;

(iv) refinance or otherwise replace any Company or Subsidiary Indebtedness which, when obtained, was either approved or required to be approved pursuant to the terms of this Section 6.2; or

(v) create, assume, incur or consent to or release any interest rate "swap" agreement or similar interest rate hedge or interest rate protection agreement of the Company or any Subsidiary;

(d) transfer or dispose of any material assets of the Company or any Subsidiary (including any license of material intellectual property (other than in the Ordinary Course) or failure to renew or protect any material intellectual property);

(e) amend the terms of this Agreement or the Company's certificate of formation or the organizational documents of any Subsidiaries, or dilute, change or alter in any way the economic interest or the rights, duties or obligations of HHC;

(f) cause the Company or any Subsidiary to enter into any joint venture, partnership, limited liability company or other similar agreement with any person (other than as contemplated pursuant to the Budget or the Business Plan, or in the Ordinary Course or in relation to a Managed Restaurant Arrangement (collectively, "Ordinary Business Arrangements")) or otherwise amend, terminate or waive any material right thereunder, other than in respect of Ordinary Business Arrangements; provided, however, that the closure of an owned restaurant shall be subject to approval as a Major Decision;

(g) enter into any reorganization, merger, conversion or consolidation agreement, or direct or indirect transfer of material assets or equity with respect to the Company or any Subsidiary and any other person (whether with respect to a disposition of the Company's or any Subsidiary's businesses, equity or assets or acquisition of new businesses, equity or assets of another person);

(h) do any of the following: (A) file a voluntary petition in bankruptcy on behalf of the Company or any Subsidiary; (B) consent to the filing of any involuntary petition in bankruptcy against the Company or any Subsidiary; (C) file any petition seeking, or consenting to, the reorganization or relief of the Company or any Subsidiary under any applicable federal or state law relating to bankruptcy or insolvency; (D) consent to the appointment of a receiver, liquidator, assignee, trustee, sequestrator (or other similar official) of the Company or any Subsidiary or any substantial part of the Company's or any Subsidiary's property; (E) make a general assignment for the benefit of the Company's or any Subsidiary's creditors; or (F) admit in writing to the Company's or any Subsidiary's inability to pay its debts generally as they become due;

(i) cause the Company or any Subsidiary to make any loan to any person;

(j) except as contemplated by the Warrant, issue any additional Interests (or Units) to an existing Member or other person, or grant or issue any other equity, voting rights, rights to distributions, phantom equity, warrants, options, securities convertible into Interests (or Units) or other rights to acquire ownership interests in the Company or any Subsidiary, or admit any person as a member in the Company or any Subsidiary, or redeem all or any portion of a Member's interest in the Company or any Subsidiary;

(k) change any accounting methods or principles, or make any tax elections relating to the Company or any Subsidiary or enter into any settlement or compromise with any federal, state, local or foreign taxing authority on behalf of the Company or any Subsidiary;

(l) except for the Budget and Business Plan attached hereto as Exhibits A and B, adopt, amend or modify any Budget or Business Plan for the Company and its Subsidiaries, or make or incur any material expenditure not otherwise permitted pursuant to this Section 6.2 or expressly contemplated by the approved Budget and Business Plan, or operate the Company or any Subsidiary in a manner materially inconsistent with the approved Budget or Business Plan (for the avoidance of doubt, the individual restaurant budgets/business plans do not require approval pursuant to this Section 6.2);

(m) (A) enter into a transaction or contract with (x) a Member or any Affiliate of a Member, (y) any officer or director (or individual holding a similar office with a different name) of any Person described in clause (x), or (z) any relative of any Person described in clause (x) or (y), (B) otherwise amend, terminate or waive any right under any such transaction or contract (it is understood and agreed that a member who is, or whose Affiliate/officer/director/relative is, seeking to be a counterparty to a contract or transaction with the Company or any Subsidiary is not permitted to vote on such contract or transaction) or (C) enter into, amend or terminate a material contract, or waive any material contractual right, including any restrictions on operations such as non-competes or exclusivity provisions (but excluding contracts entered into, amended, terminated or waived in respect of Ordinary Business Arrangements);

(n) other than distributions of Available Cash in accordance with Section 5.4(a), distribute (or cause the distribution) from the Company or any Subsidiary any cash or other property, or require capital contributions from any Member;

(o) pay the Management Fee to any Person other than JG or JGV Consulting LLC; or

(p) enter into, amend, terminate or waive any contract or arrangement to effect any of the foregoing.

Notwithstanding the foregoing:

i. the Company and its Subsidiaries may enter into, amend, terminate or waive any right under any Ordinary Business Arrangement, provided, that with respect to any enforcement, termination, amendment or modification of the terms of any Ordinary Business Arrangement that would affect such Ordinary Business Arrangement in a manner materially adverse to the Company or its Subsidiaries, as reasonably determined by the Board, HHC shall retain its Major Decision right with respect thereto; and

ii. with respect to each restaurant owned (for the avoidance of doubt, other than by "management" agreement) by the Company or any of its Subsidiaries the Company and its Subsidiaries may (without Major Decision approval), in each case, not inconsistent with the Budget:

1. Enter into individual contracts (or a series of related contracts) that contemplate payments by or on behalf of the restaurant of $50,000 or less annually with respect to each contract, and no more than $100,000 annually in the aggregate for each such owned restaurant; provided, that renewals or amendments that do not increase the amounts payable under any existing contract shall be without limit;

2. Enter into any contracts with vendors or other third parties (or a series of related contracts) which, contemplate annual expenditures of no more than $60,000 per year with respect to any single restaurant and $120,000 in any year in the aggregate with respect to all of the owned restaurants;

3. Sell, purchase, transfer, assign, dispose or encumber assets of any type so long as the value of such assets purchased are no more than $100,000 in any given year in the aggregate with respect to any single restaurant, and $200,000 in any such given year in the aggregate with respect to all of the owned restaurants; and

4. Enter into development agreements (restaurant, food service, recipes, menus, cuisine concepts, media, programming, etc.), which do not involve any joint venture, partnership or similar obligations and are not otherwise subject to Section 6.2(f), if such matters involve no more than $100,000 in expenditures by the Company or any of its Subsidiaries in any given year in the aggregate.

For the avoidance of doubt, HHC and JG TopCo (solely in its capacity as a Member and holder of approval rights with respect to the Major Decisions (but with respect to JG TopCo subject to reasonableness as to a Sale Transaction contemplated by Section 7.5 and approved by HHC and/or any change in form contemplated by Section 7.2(b)), and without limiting JG's obligations as a Director or Officer hereunder) shall have the right to make such decisions permitted under this Agreement, including whether to grant or withhold approval or consent hereunder (including, with respect to any Major Decisions), in his or its sole discretion (taking into account only their own views, self-interest, objectives and strategic concerns), and, subject to Section 12.3(g), it is acknowledged that HHC may require corporate approvals in connection with its decisions regarding some or all of such Major Decisions. HHC and JG TopCo (solely in its capacity as a Member and holder of approval rights with respect to the Major Decisions (but with respect to JG TopCo subject to reasonableness as to a Sale Transaction contemplated by Section 7.5 and approved by HHC and/or any change in form contemplated by Section 7.2(b)), and without limiting JG's obligations as a Director or Officer hereunder) shall have no obligation or duty to the Company or the other Member to decide any matter in a particular manner and neither the Company nor any other Member shall have any claim (whether relating to the fact of such decision, any delay in rendering any such decision, or the consequences thereof) by reason of HHC's or JG TopCo's having failed to decide any Major Decision in a particular matter. This Section 6.2 is without limitation of the generality of Sections 6.3(a) and 12.15.

6.3 Liability; Duties; Indemnification.

(a) Notwithstanding anything in this Agreement to the contrary, but without limiting the obligations of any Person under (or the liability of any Person for any breach of) Section 8 or any other Transaction Document, (a) no Member will be liable to the Company or any other Member for any Damages suffered or incurred by any Person on account, or by reason, of any claim based on or arising from any act taken or omitted to be taken by such Member in his, her or its capacity as such, and no Member in his, her or its capacity as such will owe any fiduciary duties to the Company, any other Member or any other Person, and (b) each Director and Officer (in his or her capacity as such) shall owe the same fiduciary duties

(including the duty of loyalty and good faith) to the Company as an officer of a Delaware corporation under the General Corporation Law of the State of Delaware. Without limiting the obligations of the Members, Directors or Officers to the Company or the other parties hereto under this Section 6.3 or the other provisions of this Agreement, (x) the debts, obligations and liabilities of the Company, whether arising in contract, tort or otherwise, shall be solely the debts, obligations and liabilities of the Company, and none of the Members, Directors or Officers shall be obligated personally for any such debt, obligation or liability of the Company solely by reason of being a Member, Director or Officer, and (y) the failure of the Company to observe any formalities or requirements relating to the exercise of its powers or management of its business or affairs under the Act or this Agreement shall not be grounds for imposing personal liability on any Member, Director or Officer for debts, obligations or liabilities of the Company. Except with respect to the obligations of any Person under (or the liability of any Person for any breach of) Section 8 or any other Transaction Document, (x) there shall be, and each Member, Director and Officer shall be entitled to, a presumption that such Person acted in good faith in any action taken in his, her or its capacity as a Member, Director or Officer, and (y) each Member, Director and Officer in any action taken in his, her or its capacity as a Member, Director or Officer shall be fully protected in relying in good faith upon the records of the Company and upon such information, opinions, reports or statements presented to the Company by any Person as to matters such Member, Director and Officer reasonably believes are within such Person's professional or expert competence.

(b) The Company will indemnify any Member, Director or Officer (or any Affiliate, director, officer, employee, holder of any equity interests, partner, trustee, member, manager, representative or agent of such Person) (each, in any such capacity, an "Indemnified Person") and hold him, her or it harmless from and against any loss, damage, liability, obligation, fine, claim, action, suit, proceeding, demand, expense, tax or similar item, whether arising in contract, tort or otherwise, or any attorney fees relating to any of the foregoing (collectively, "Damages"), suffered or incurred (including on account or by reason of any claim, demand, action, suit or proceeding (a "Proceeding")) by him, her or it (i) relating to or arising out of such Indemnified Person's acts or omissions in the course of serving in any office of, or otherwise representing or acting for or on behalf of the Company or any of its Subsidiaries (in each case within or reasonably believed by such Indemnified Person to be within, the scope of their authority), or (ii) otherwise by reason of the fact that such Indemnified Person (or any other Indemnified Person in relation to the same Member, Director or Officer) is or was a Member, Director or Officer, except to the extent that a judgment or other final adjudication (in each case which is not subject to appeal) adverse to him, her or it establishes that his, her or its acts constituted fraud, gross negligence or willful misconduct or were in violation of any provision of this Agreement or involved a violation of law or fiduciary duties (to the extent applicable under Section 6.3(a)); provided, however, that, notwithstanding anything in this Agreement to the contrary, any such indemnification will be solely from the net assets of the Company, and no Member will be required to make any capital contribution or otherwise pay any amount from its own assets as a result thereof. Upon making a claim for indemnification, an Indemnified Person may request in writing that the Company advance to him, her or it the expenses of defending the Proceeding giving rise to such indemnification claim or appearing as a witness or other participation in a Proceeding involving the Company or any of its Subsidiaries and the Company will advance such expenses; *provided*, *however*, that such Indemnified Person furnishes the Company with such assurances and security as may be reasonably requested by the Company to assure repayment of the amounts advanced by the Company in the event that a judgment or other final adjudication (in each case which is not subject to appeal) is rendered holding that he, she or it was not entitled to be indemnified by the Company pursuant to this Agreement. The Indemnified Person shall agree to return to the Company amounts advanced by the Company in the event that a judgment or other final adjudication (in each case which is not subject to appeal) is rendered holding that he, she or it is or was not entitled to be indemnified by the Company in accordance with this Agreement. The indemnification provided by this Section 6.3(b) shall not be deemed to be exclusive of any other rights to which each Indemnified Person may be entitled under any agreement, or as a matter of law, or otherwise, both as to any action in such Indemnified Person's official capacity and to any action in another capacity,

and shall continue as to such Indemnified Person who has ceased to have an official capacity for acts or omissions, during such official capacity or otherwise, and shall inure to the benefit of the heirs, successors and administrators of such Indemnified Person. Notwithstanding anything to the contrary in this Section 6.3, and for the avoidance of doubt, JG and JG TopCo shall be responsible for, and shall not receive any indemnification or be cleansed of any liability with respect to, any breach or violation of the Contribution Agreement or this Agreement.

(c) In the event that any Proceeding shall be instituted or asserted or any Damages shall arise in respect of which indemnity may be sought by the Indemnified Person pursuant to Section 6.3(b), such Indemnified Person shall promptly notify the Company thereof in writing. Failure to provide notice shall not affect the Company's obligations hereunder except to the extent the Company is actually and materially prejudiced thereby. The Company shall have the right to control the defense of any such Proceeding for which a claim for indemnification is sought by an Indemnified Person. In connection therewith, the Company shall have the right to retain counsel reasonably acceptable to the Indemnified Person, at the Company's expense, to represent each Indemnified Person and any others the Company may designate in such Proceeding. The Company shall keep the Indemnified Person advised of the status of such Proceeding and the defense thereof and shall consider in good faith recommendations made by the Indemnified Person with respect thereto. In any such Proceeding, the Indemnified Person shall have the right to retain its own counsel at its own expense; provided, however, that the fees and expenses of such Indemnified Person's counsel shall be at the expense of the Company if (i) the Company and such Indemnified Person shall have mutually agreed to the retention of such counsel, (ii) the Company shall have failed, within a reasonable time after being notified by the Indemnified Person of the existence of an indemnified claim, to assume the defense of such indemnified claim or (iii) the defendants to any such Proceeding include both the Company and such Indemnified Person and representation of both parties by the same counsel may involve the Company in a material conflict of interest. The Company shall not be liable for any settlement of any Proceeding effected without its written consent (which consent shall not be unreasonably withheld, delayed or conditioned). The Company shall not effect any settlement of any pending or threatened Proceeding in respect of which any Indemnified Person is seeking indemnification hereunder without the prior written consent of each such Indemnified Person (which consent shall not be unreasonably withheld, delayed or conditioned), unless such settlement includes an unconditional release of each such Indemnified Person from all liability and claims that are the subject matter of such Proceeding. The Company and each such Indemnified Person shall reasonably cooperate in the execution and delivery of agreements, instruments and other documents and in the provision of access to witnesses, documents and property, consistent with this Agreement.

(d) The Company hereby acknowledges that one or more of the Indemnified Persons may have certain rights to indemnification, advancement of expenses and/or insurance from Persons other than the Company (such Persons, excluding for the avoidance of doubt any insurer to the extent that such insurer insures the Company's liabilities and obligations under this Section 6.3, the **"**Member Indemnitors**"**). The Company hereby agrees, in respect of its obligations under this Section 6.3, that (i) it is the indemnitor of first resort, *i.e*., its obligations to any such Indemnified Person under this Section 6.3 are primary and any obligation of the Member Indemnitors to advance expenses or to provide indemnification for the same expenses or liabilities incurred by such Indemnified Person are secondary, (ii) it shall be required to advance the full amount of expenses incurred by such Indemnified Person and shall be liable for the full amount of all expenses, judgments, penalties, fines and amounts paid in settlement by or on behalf of any such Indemnified Person to the extent legally permitted and as required by this Agreement (or any agreement between the Company and such Indemnified Person), without regard to any rights such Indemnified Person may have against the Member Indemnitors, and (iii) it irrevocably waives, relinquishes and releases the Member Indemnitors from any and all claims against the Member Indemnitors for contribution, subrogation or any other recovery of any kind in respect thereof. The Company further agrees that no advancement or payment by the Member Indemnitors on behalf of any Indemnified Person

with respect to any claim for which such Indemnified Person has sought indemnification from the Company shall affect the foregoing and the Member Indemnitors shall have a right of contribution and/or be subrogated to the extent of such advancement or payment to all of the rights of recovery of such Indemnified Person against the Company.

(e) Notwithstanding anything to the contrary in this Agreement, except as otherwise expressly required by law, no Member, solely by reason of being a Member, shall have any liability with respect to the liabilities of the Company in excess of (i) the amount of its aggregate Capital Contributions made to the Company, (ii) its share of any undistributed profits and assets of the Company and (iii) the amount of any distributions wrongfully distributed to it.

6.4 Insurance. The Company shall purchase and keep in force during the term of this agreement general liability insurance, liquor liability insurance, property insurance, if the Company or any Subsidiary owns property, and such other customary insurance for the Company and its Subsidiaries with such insurers and in such amounts not less (and with deductible amounts not greater) than those maintained by the Company as of the date of this Agreement. General liability and excess liability insurance shall name JG TopCo and HHC as additional insureds. All policies of insurance required to be carried by Company pursuant to this Agreement shall include a waiver by the insurer of any right to subrogation against JG TopCo and HHC which could arise by reason of any payment under such insurance policy or by reason of any act or omission of any of them. The parties hereto agree that the Company shall use reasonable best efforts to obtain "key man" life and disability insurance on JG in form and substance reasonably acceptable to HHC, and JG agrees to cooperate fully with the Company in securing and maintaining said policies, including, but not limited to submitting himself to any physical examination which may be required at such reasonable times and places as Company shall specify.

6.5 No Interest in Company Property. No Company Property shall be deemed to be owned by any Member individually, but shall be owned by, and title shall be vested solely in, the Company, and legal title to all assets of the Company shall be taken and at all times held in the name of the Company.

6.6 Services and Support. Upon reasonable request, HHC shall cause its Affiliates to provide services and support to the Company and its Subsidiaries subject to mutual written agreement between the Company and HHC as to the costs payable to HHC therefor prior to delivery of such services and support.

6.7 Seaport Arrangements. JG TopCo and HHC shall negotiate in good faith reasonable modifications to the current management service agreements entered into between Creative Culinary Management Company (an affiliate of JG) and affiliates of HHC to permit the occasional use from time to time of employees or services from Creative Culinary Management Company in other JG opportunities to the extent such use does not interfere with ordinary course operations at the Seaport, it being understood and agreed that at any time HHC shall have the right to terminate such use of Creative Culinary Management Company in its sole discretion.

6.8 Publicity Rights. In the event JG TopCo no longer holds a majority of the Interests of the Company, the Company shall not, without the prior written consent of JG, use or otherwise exploit the image or likeness of JG, other than to the extent such uses are already in place at such time.

Section 7
Transfer of Interests; Exit Rights

7.1 No Transfers.

(a) A Member may not Transfer any of such Member's Interest (and each Member shall procure that no Transfer of any of such Member's Interest occurs), except pursuant to and in accordance with this Section 7. Any Transfer, or purported Transfer, in violation of this Agreement shall be null and void ab initio and the transferee, or purported transferee, in any such Transfer, or purported Transfer, shall not be admitted as a Member or obtain any rights under this Agreement.

(b) Notwithstanding anything contained in this Agreement to the contrary, no proposed Transfer by a Member of any of such Member's Interest (other than pursuant to Sections 7.4, 7.5 or 7.6) may be made (and each Member shall procure that no Transfer of any of such Member's Interest (other than pursuant to Sections 7.4, 7.5 or 7.6) occurs) if: (A) the Company, or the other Member, reasonably determines such Transfer would result in the Company being treated as anything other than a partnership for United States federal income tax purposes; (B) such Transfer could cause the Company to be treated as a "publicly traded partnership" within the meaning of Section 7704 of the Code and the regulations promulgated thereunder; or (C) such Transfer would result in the Company being regulated under the Investment Company Act of 1940, as amended.

(c) Each transferee agrees, to the extent required by applicable law, to deduct and withhold any taxes required to be withheld by the transferee, including, without limitation, pursuant to Section 1446(f) of the Code, and if the transferee fails to do so, it acknowledges that the Company may deduct such taxes (plus any applicable interest and penalties) from amounts otherwise attributable to the transferee, and such amounts shall be treated as distributed to the transferee for all purposes of this Agreement.

7.2 Certain Transfers.

(a) Subject to all of the other provisions of this Section 7, (i) a Member may directly Transfer all or any portion of such Member's Interest in a Permitted Transfer, (ii) a direct or indirect holder of equity interests in a Member may directly Transfer all (but not less than all) of such equity interests in a Permitted Transfer, and (iii) a Member may directly Transfer all or any portion of such Member's Interest, and his, her or its Permitted Transferee's Interests, in accordance with Sections 7.3, 7.4, 7.5 or 7.6.

(b) In connection with a Going Public Transaction or a Sale of the Company, subject to Section 6.2, if the Board determines that corporate structure changes are reasonably necessary or appropriate, including conversion to a corporation, election for the Company to be treated as a corporation for applicable tax purposes, the transfer of all Units to a new corporation or the transfer of substantially all of the Company's assets to a new corporation, pursuant to a merger, recapitalization, contribution, reorganization, or otherwise, (i) the Company may, and may cause its Subsidiaries to undergo such corporate structure changes (and eliminate voting, board designation and other rights of Member's not customarily retained in connection with a Going Public Transaction) and (ii) each Member shall execute and deliver or cause to be executed and delivered such further instruments and take such further action as the Company may reasonably request in order to effectuate such corporate structure change, so long as such restructuring would not disproportionately dilute the ownership interests of such Member.

(c) For the avoidance of doubt, other than by Permitted Transfer or a Sale of the Company, it is understood that neither JG TopCo nor its Permitted Transferees may Transfer any Interest until after the Lock-Up Expiration Date (and then, only to the extent permitted in this Section 7).

7.3 Right of First Refusal.

(a) (i) With respect to JG TopCo, at any time after (but only after) the Lock-Up Expiration Date, and solely with respect to the sale by JG TopCo and its Permitted Transferees of an Interest (and Units) representing no more than a twenty-five percent (25%) Percentage Share and no less than a five percent (5%) Percentage Share, or (ii) with respect to HHC, at any time and for no less than a five percent (5%) Percentage Share, if such Member (either JG TopCo in accordance with clause (i) or HHC in accordance with clause (ii), the "Initiating Member", and the other Member, the "Non-Initiating Member") receives (whether initiated by the Initiating Member or via an unsolicited bid) a bona fide written offer from a Third Party (such Person, the "ROFR Purchaser"), to purchase such applicable portion of his, her or its and/or his, her or its Permitted Transferees' Interests (the "Offered Securities") for cash, cash equivalents or Marketable Securities, such Initiating Member shall be permitted to consummate such Transfer in accordance with this Section 7.3 if such Initiating Member first offers the Non-Initiating Member the right to purchase all such Offered Securities pursuant to a written notice containing (i) the ROFR Purchaser's identity (and the identity of any Persons that control such ROFR Purchaser) and (ii) a reasonably detailed description of the material terms and conditions for the proposed Transfer (including price (and confirmation of market value of any Marketable Securities as of the date of such ROFR Purchaser offer), payment terms and conditions to closing) (such terms and conditions, the "ROFR Terms", and such notice, the "ROFR Notice"); provided, however, that if such Third Party is a Prohibited Person, the Initiating Member shall only be permitted to consummate a sale to such Third Party following receipt of the written consent of the Non-Initiating Member.

(b) In the event that the Non-Initiating Member does not deliver to the Initiating Member written notice of his, her or its binding agreement to purchase all of the Offered Securities in accordance with the ROFR Terms within 45 days after the ROFR Notice is given (the "ROFR Period"), then, subject to Section 7.3(d), the Initiating Member shall have the right, for a period of 90 days (which such 90-day period may be extended for a reasonable time to obtain any required regulatory approvals) after expiration of the ROFR Period, to sell all (but not less than all) of the Offered Securities to the ROFR Purchaser on terms and conditions no less favorable in the aggregate to the ROFR Terms (a "ROFR Compliant Sale"). In the event the Initiating Member does not consummate a ROFR Compliant Sale during the 90-day period (as extended with respect to any required regulatory approvals) after the expiration of the ROFR Period, then the Initiating Member may not thereafter sell its Interest to a Third Party without giving the Non-Initiating Member a new ROFR Notice pursuant to Section 7.3(a) (and otherwise complying anew with this Section 7.3).

(c) In the event that the Non-Initiating Member timely delivers to the Initiating Member written notice of his, her or its binding agreement to purchase all of the Offered Securities in accordance with the ROFR Terms, the Offered Securities shall be sold to the Non-Initiating Member on such terms.

(d) During the ROFR Period, (i) in the event JG TopCo and its Permitted Transferees Percentage Share at such time is in excess of fifty percent (50%), HHC, or (ii) in the event HHC and its Permitted Transferees Percentage Share at such time is in excess of fifty percent (50%), JG TopCo (clause (i) or (ii), as applicable, the "Tagging Party"), the Tagging Party shall have the right and option, by delivering to the Initiating Member a written notice within the ROFR Period (a "Tag Notice"), to sell, on the same terms and conditions as the ROFR Compliant Sale by the Initiating Member to a Third Party, a number of Units equal to the product of: (A) the number of Units owned by the Tagging Party and its Permitted Transferees at such time, and (B) the quotient obtained by dividing the number of Units included in the Offered Securities subject to the ROFR Compliant Sale and the aggregate number of Units owned by the Initiating Member and its Permitted Transferees at such time (such common Units, the "Tag-Along Participation Securities") (and if the ROFR Purchaser is not willing to purchase such number of Units from

the Tagging Party, the number of Units to be sold by each of the Initiating Member and the Tagging Party and their respective Permitted Transferees shall be reduced in accordance with their respected Percentage Shares). As promptly as practicable after the consummation of any ROFR Compliant Sale including Tag-Along Participation Securities pursuant to this Section 7.3(d) and the receipt of the consideration therefrom, the Initiating Member shall remit to the Tagging Party the portion of consideration for the Tag-Along Participation Securities received pursuant thereto unless the Tagging Party received such consideration directly. The Initiating Member shall not effect the Transfer of any Units pursuant to this Section 7.3 in the event a Tag Notice is delivered in accordance with the terms of this Section 7.3(d) unless a proportional amount of (x) Units of the Initiating Member and its Permitted Transferees and (y) Units that the Tagging Party and/or its Permitted Transferees has exercised the right to sell pursuant to this Section 7.3(d), are simultaneously sold.

7.4 Call Rights.

(a) Following the occurrence of the death or Disability of JG, HHC shall have the right, upon written notice (a "Call Notice") to JG Topco (or upon receipt of updated notice information from his duly authorized executor or legal guardian or legal representative as applicable (the "JG Executor") together with supporting detail evidencing such authority to the reasonable satisfaction of HHC, to the JG Executor), to elect to purchase JG TopCo and its Permitted Transferees' Interests in accordance with the terms of this Section 7.4 (a "Call"). Upon delivery of a Call Notice, all of the voting, consent and approval rights (including with respect to Major Decisions) of JG TopCo, its Permitted Transferees and the JG Directors under this Agreement shall automatically terminate, provided that such rights shall be reinstated in the event HHC does not make the Call Payment when due and comply with the other terms of this Section 7.4.

(b) The amount paid for JG TopCo and its Permitted Transferees' Interests sold pursuant to a Call shall be the Fair Market Value as of the delivery of the Call Notice, paid in cash (subject to deduction of expenses in accordance with Section 7.4(c), the "Call Payment"). The transfer documentation effecting the Call shall be in form and substance reasonably acceptable to HHC (which for the avoidance of doubt shall include representations and warranties substantially the same as those made by JG TopCo in the MIPA), transferring JG TopCo and its Permitted Transferees' Interests to HHC free and clear of all liens or encumbrances, other than under applicable securities laws and this Agreement. The closing of any purchase and sale of JG TopCo and its Permitted Transferees' Interests pursuant to a Call shall occur at the offices of the Company on the tenth Business Day after the final determination of the Fair Market Value thereof in accordance with Sections 7.4(c) (or, if later, five (5) Business Days after all governmental or third party approvals required for the purchase and sale have been obtained) or at such other place, date and time mutually agreed upon by HHC and JG TopCo (or the JG Executor, as applicable).

(c) For the period ending 30 days after delivery of a Call Notice (the "Negotiation Period"), HHC and JG TopCo (or the JG Executor, as applicable) shall in good faith negotiate the Fair Market Value of JG TopCo and its Permitted Transferees' Interests. In the event that HHC and JG TopCo (or the JG Executor, as applicable) agree thereon, such agreed upon value shall be the Fair Market Value payable for such Interests. In the event that HHC and JG TopCo (or the JG Executor, as applicable) do not agree thereon within the Negotiation Period, then either HHC or JG TopCo (or the JG Executor, as applicable) may begin a "baseball arbitration" by giving the other written notice thereof (an "Arbitration Notice"). Within 30 days after the giving of an Arbitration Notice, HHC and JG TopCo (or the JG Executor, as applicable) shall (a) jointly select an independent nationally-recognized investment banking firm or valuation firm experienced in valuing businesses such as the Company who has not been hired or provided services to either HHC or JG TopCo (or the JG Executor, as applicable), or their respective Affiliates, within the last three years (but in the event they cannot agree on such a firm during such 30-day period, then the ICC International Centre for ADR will select such a firm pursuant to the ICC Rules for the

Appointment of Experts and Neutrals) (the "Arbitrator") and (b) each submit to the other (and to the Arbitrator) its calculation of the Fair Market Value of JG TopCo and its Permitted Transferees' Interests. The Arbitrator shall be instructed to choose the party (HHC or JG TopCo (or the JG Executor, as applicable)) whose calculation of the Fair Market Value of JG TopCo and its Permitted Transferees' Interests is closer to the calculation thereof by the Arbitrator, and such Party's Fair Market Value calculation shall be the Fair Market Value of JG TopCo and its Permitted Transferees' Interests for purposes of such Call, such determination being final and binding upon each Party and non-appealable. HHC and JG TopCo (or the JG Executor, as applicable) shall direct the Arbitrator to render its determination within 30 days following the submission of the dispute to the Arbitrator. In acting hereunder, the Arbitrator shall be acting as an appraising expert and not as an arbitrator. For purposes of determining Fair Market Value, the parties shall cooperate with and make available to each other and their respective Representatives and the Arbitrator (if applicable) all information, records and other data as may be reasonably required in connection with determining Fair Market Value and the resolution of any disputes with respect thereto. In connection with the resolution of any such dispute by the Arbitrator, each of HHC and JG TopCo (or the JG Executor, as applicable) and their respective Representatives shall have a reasonable opportunity to jointly meet with the Arbitrator to provide their respective views as to any disputed issues with respect to the determination of Fair Market Value. The fees and expenses of the Arbitrator and the other reasonable out-of-pocket fees and expenses of the party that was selected by the Arbitrator incurred in connection with this Section 7.4 shall be borne, in their entirety, by the party that was not selected by the Arbitrator.

7.5 Sale Process.

(a) HHC Sale Process Rights. Following the earlier of the third anniversary of the Effective Date and the Cessation of Services Date, HHC may, on no more than one occasion within any eighteen (18) month period, give written notice to JG TopCo (a "Sale Notice") of its desire to initiate a Sale of the Company or Going Public Transaction process in accordance with Section 7.5(b).

(b) Right to Direct a Sale Process. Following delivery of a Sale Notice, HHC shall have the right, but not the obligation, to cause (and utilize the Company and its Subsidiaries in furtherance thereof) the Company (and its Subsidiaries, as applicable) to enter into (subject to JG TopCo's consent pursuant to Section 6.2) and consummate a bona fide (i.e. without deceit or fraud) Sale of the Company or Going Public Transaction with a Third Party in accordance with the terms of this Section 7.5 (a "Sale Transaction"), and HHC shall be permitted initiate a process to seek a Sale Transaction and to direct and control all decisions in connection therewith (including the hiring or termination of any investment bank and/or other professional advisers and making all decisions regarding valuation and consideration), and the Members shall participate in, and cooperate in good faith with, such process, in each case as requested by HHC. HHC shall conduct any such process in regular consultation with JG TopCo and will keep JG TopCo reasonably and regularly apprised of all material developments related to any such process.

(c) In the event of a Sale Transaction, (i) each Member will waive any dissenter's rights and other similar rights, (ii) if the Sale Transaction is structured as a sale of securities, each Member will agree to sell such Member's Interests on the terms and conditions of the Sale Transaction, (iii) notwithstanding the structural or other changes to the Company or any of its Subsidiaries in connection with the Sale Transaction, JG and any employees of the Company or its Subsidiaries shall remain subject to any non-competition, non-solicitation, corporate opportunity, non-disparagement and confidentiality obligations or similar restrictive covenants existing as of the date of such Sale Transaction in accordance with the terms thereof as then in effect (including any such obligations under Section 8), and (iv) if required by the purchaser (or underwriter or similar counterparty to the Sale Transaction), (x) excluding any Sale Transaction after the Cessation of Services Date, JG shall negotiate and enter into a commercially reasonable consulting or similar agreement with such purchaser or other counterparty for a period of up to three years after the closing of the Sale Transaction, and (y) JG TopCo will roll over up to twenty-five

percent (25%) of its and its Permitted Transferees' equity into the Company or such other Entity surviving the Sale Transaction owned by the purchaser (or similar counterparty to the Sale Transaction). Each Member will take all reasonably necessary actions as directed by HHC in connection with the consummation of any Sale Transaction, including by executing the applicable transaction agreements being executed by HHC.

(d) In a Sale Transaction, the aggregate consideration payable upon consummation of such Sale Transaction (if any) to all Members in respect of their Interests (the "Sale Consideration") shall be apportioned to and paid to the Members in the Sale Transaction based on the Unit Sale Value of each such Member's Units. For the avoidance of doubt, in the case of a Going Public Transaction, it is understood and agreed that there may not be any Sale Consideration at the time of consummation and the Members may be subject to a market stand-off or lock-up agreement with respect to their Interests.

7.6 Buy/Sell.

(a) In the event JG and HHC fail to unanimously approve the Major Decisions set forth in Sections 6.2(f) or (g) (in each case, solely in connection with a potential Sale Transaction), or Section 6.2(l) (in any such case, a "Significant Deadlock") raised for approval (whether by the Board or a Member) and either JG or HHC (or both) wish to negotiate and discuss such Major Decision in order to come to mutual agreement, HHC and JG shall negotiate in good faith for resolution thereof for a sixty (60) day period (the "Deadlock Negotiation Period"). In the event the Significant Deadlock is not resolved during such period, (i) HHC shall have the right, upon written notice (an "HHC Buy/Sell Notice") to JG within forty five (45) days of the expiration of the Deadlock Negotiation Period (the "Initial Buy/Sell Period"), to deliver to JG a written offer to purchase all of the Interests owned by JG and his Permitted Transferees, free and clear of all liens and encumbrances, other than under applicable securities laws and this Agreement (a **"**HHC Buy/Sell Offer**"**), or (ii) in the event JG does not deliver an HHC Buy/Sell Notice within the Initial Buy/Sell Period and the Significant Deadlock is still not resolved, JG shall have the right, upon written notice (a "JG Buy/Sell Notice") to HHC within forty five (45) days of the expiration of the Initial Buy/Sell Period (the "JG Buy/Sell Period"), to deliver to JG a written offer to purchase all of the Interests owned by HHC and his Permitted Transferees, free and clear of all liens and encumbrances, other than under applicable securities laws and this Agreement (a "JG Buy/Sell Offer", and together with the HHC Buy/Sell Offer, a "Buy/Sell Offer"). Following the expiration of the JG Buy/Sell Period, for so long as the Significant Deadlock is not resolved, either Member may deliver a Buy/Sell Offer to the other.

(b) The Buy/Sell Offer shall set forth all of the terms and conditions on which either HHC or JG TopCo (as applicable) under the HHC Buy/Sell Notice or JG Buy/Sell Notice (the "Triggering Member") is willing to purchase the Interests owned by the other Member and his or its Permitted Transferee (the "Receiving Member**"**), shall be a written and binding offer to purchase the Interests owned by the Receiving Member and his or its Permitted Transferees, and shall include the Triggering Member's determination of the price per Unit to be paid in cash to the Receiving Member and his or its Permitted Transferees for all of the Receiving Member's and his or its Permitted Transferees' Units.

(c) The Receiving Member shall have sixty (60) days (the "Buy/Sell Period") after receipt of a Buy/Sell Offer to deliver to the Triggering Member a written and binding offer (the "Buy Response ") to purchase (for cash) all of the Interests owned by the Triggering Member and his or its Permitted Transferees on the same terms set forth in the Buy/Sell Offer (except that the price to be paid by the Receiving Member pursuant to the Buy Response for the Interests owned by the Triggering Member and its Permitted Transferees will be equal to the price per Unit included in the Buy/Sell Offer multiplied by the number of Units held by the Triggering Member and his or its Permitted Transferees).

(d) If (i) the Receiving Member accepts the Buy/Sell Offer in writing, or (ii) otherwise does not deliver a Buy Response during the Buy/Sell Period, the Triggering Member will be deemed to have accepted the Buy/Sell Offer, and in the case of clause (i) or (ii), the closing of the purchase and sale of Interests contemplated by the Buy/Sell Offer will take place on the date that is ninety (90) days after the last day of the Buy/Sell Period (or, if later, five (5) Business Days after all governmental or third party approvals required for the purchase and sale have been obtained) or on such other date as the Triggering Member and Receiving Member otherwise agree. If the Receiving Member delivers the Buy Response, the purchase and sale of Interests contemplated by the Buy Response will take place on the date that is ninety (90) days after deliver of the Buy Response (or, if later, five (5) Business Days after all governmental or third party approvals required for the purchase and sale have been obtained) or on such other date as the Triggering Member and Receiving Member otherwise agree.

(e) The transfer documentation effecting the closing of the Buy/Sell Offer transaction shall be in form and substance reasonably acceptable to the party purchasing the Interests, with standard representations of ownership and authority to sell and assign the Interests to the purchaser, and the valid and enforceable transfer of the Interests free and clear of all liens or encumbrances, other than under applicable securities laws and this Agreement, together with such other instruments and documents as may be necessary or desirable to legally effectuate the sale, assignment, conveyance and transfer of the Interests to the purchaser. Following the closing of any such Buy/Sell Offer, the Member transferring his or its Interest hereunder shall remain subject to any non-competition, non-solicitation, corporate opportunity, non-disparagement and confidentiality obligations or similar restrictive covenants existing as of the date of such transaction in accordance with the terms thereof as then in effect (including any such obligations under Section 8). In the event HHC or JG TopCo purchases the Interests of the other Member and his or its Permitted Transferees pursuant to this Section 7.6, the Member selling his or its Interests and the Directors such Member may designate shall be automatically removed from the Board (and the Member purchasing the Interests shall thereafter have the rights of the selling Member with respect to the designation of such former Member's Director and other Member rights of such former Member).

7.7 Reasonableness. Each Member hereby acknowledges the reasonableness of the prohibitions contained in this Section 7 in view of the Company and the relationship of the Members.

7.8 Certain Effects of Transfer.

(a) Following a direct Transfer by a Member of all of his, her or its and/or his, her or its Permitted Transferees' Interests as permitted or required by this Section 7 (a "Permitted Direct Transfer"), any allocations or distributions previously made to, and any Capital Contributions previously made by, the Member (and his, her or its Permitted Transferees, as applicable) Transferring such Interest with respect to such Interests subject to such Transfer shall be deemed to have been made to or by the transferee for purposes of Sections 4, 5 and 10.2, and such transferee shall be entitled to receive distributions of cash or other property, and allocations of Net Income, Net Loss and of items of income, deduction, gain, loss, or credit, from the Company attributable to the Interest subject to such Transfer and shall succeed to all economic and other rights and obligations of the Member transferring such Interest attributable to the Interest subject to such Transfer from and after the effective date of the Transfer.

(b) Upon consummation of a Permitted Direct Transfer, the transferring Member shall cease to be a Member or to have any right, title or interest in or to or the Company, and this Agreement (other than the rights and obligations under Sections 6.3, 8 and, to the extent applicable, 12, which (as in effect on the date of consummation of such Transfer) shall continue to be binding upon such transferring Member) shall terminate with respect to such transferring Member (and all Indemnified Persons in relation to such transferring Member). However, no such Transfer (and no resulting cessation of such transferring Member's status as a Member or termination of this Agreement with respect to such transferring Member)

shall relieve the transferor of any of the liabilities and/or obligations of the transferor under this Agreement to the extent required under the terms of this Agreement to have been paid and/or performed prior to the consummation of such Transfer (or of any liability it may have arising out of any breach, misrepresentation, violation or default by the transferor prior to such consummation).

(c) For so long as HHC or JG TopCo (or their respective successors to Member voting rights in accordance with the proviso hereto) hold any Units, respectively, HHC and JG (respectively) shall be the only Members entitled to vote, approve or consent to any action, or make any other decision, under this Agreement, and their respective Permitted Transferees shall have no independent vote, approval, consent or decision-making right (including any right to designate a Director) under this Agreement or in any event receive the Management Fee (except that JGV Consulting LLC shall be entitled to receive the Management Fee); provided, however, that notwithstanding the Transfer of all the Units of JG TopCo to one or more Permitted Transferees permitted in accordance with Section 7, the recipient of such Units shall not succeed JG with respect to the Management Fee or any of the voting, approval, consent and decision-making rights (including any right to designate a Director) of JG TopCo provided under this Agreement, other than the Major Decisions under Section 6.2 which shall be retained by the recipient of the majority of such Transferred Percentage Shares for so long as such Permitted Transferees hold an aggregate Percentage Share of at least 50%.

(d) Promptly upon the consummation of a direct Transfer, Annex B hereto shall be automatically amended to reflect such Transfer and the CEO shall promptly deliver to the Members (or if the CEO is not available due to a Transfer by the CEO in his capacity as a Member, the non-Transferring Member shall promptly deliver to the other Members) a copy of such amended Annex.

Section 8
Restrictive Covenants

8.1 Confidentiality.

(a) Each party to this Agreement will not disclose (i) any Confidential Information with respect to the Company or any of its Subsidiaries, or (ii) any Confidential Information with respect to any Member provided to such party pursuant to or otherwise in connection with the Company or this Agreement, to any other Person other than to his, her or its Affiliates, employees or agents who must have access to the Confidential Information in order to perform the disclosing party's obligations hereunder (or otherwise need to know such Confidential Information) and who agree to keep such information confidential in accordance with the terms of this Agreement (it being understood and agreed that each party shall be liable to the other parties hereto for any failure of any of his, her or its Affiliates, employees or agents (to whom such party discloses any Confidential Information) to keep such information confidential in accordance with the terms of this Agreement).

(b) Notwithstanding anything to the contrary in this Agreement, it shall not be a breach of this Agreement to disclose Confidential Information of another party hereto or any of the Company's Subsidiaries (i) pursuant to an order of any Governmental Entity or if required by law or legal process; provided, however, that the party so ordered to disclose the Confidential Information shall, to the extent permissible, provide prompt notice thereof to the party whose Confidential Information is to be so disclosed to afford such party adequate time to seek a protective order, (ii) to the extent required for any party to enforce or defend his, her or its rights under this Agreement or any other Transaction Document or other contract or transaction to which he, she or it is a party, in each case, involving any of the other parties hereto or their respective Affiliates, (iii) in relation to Confidential Information of the Company or any of its Subsidiaries, as permitted by the other Member(s), or (iv) to a prospective direct transferee of a Member's Interest (in a transaction permitted under Section 7) if (and only if) prior to any disclosure pursuant to this

clause (iv), the prospective transferee (and, if such transferee is not a creditworthy Person, an Affiliate of such prospective transferee reasonably acceptable to the (other) Member(s)) executes and delivers to the Company and the Members a confidentiality agreement in form and substance reasonably satisfactory to the Company and the (other) Member(s).

(c) No party to this Agreement may disclose to any third party (other than such party's consultants, accountants, advisors, owners and attorneys related to this matter) or to its employees, directors, or officers other than in their capacity as such on a need-to-know basis, any information with respect to the terms and provisions of this Agreement except: (i) to the extent necessary to comply with law (including applicable stock exchange regulations) or the valid order of a court of competent jurisdiction, in which event(s) the party making such disclosure shall so notify the (other) Member(s) as promptly as permissible (if possible, prior to making such disclosure), and shall seek confidential treatment of such information, (ii) in order to enforce or defend his, her or its rights pursuant to this Agreement or any other Transaction Document or other contract or transaction involving any of the other parties hereto or their respective Affiliates; and (iii) as part of its normal reporting or review procedure to its owners, parents and/or affiliated companies, their banks, auditors, attorneys, accountants and similar professionals, provided, however, that such Persons shall agree to be bound by the confidentiality provisions of this Agreement or are already bound by confidentiality obligations with the disclosing party of a nature similar to those set forth herein (it being understood and agreed that each Member shall be liable to the other Member for any failure of any Person to whom it discloses any information with respect to the terms and provisions of this Agreement as permitted pursuant to this Section 8.1(c) (other than pursuant to clause (i) or (ii) of this Section 8.1(c)) to keep such information confidential in accordance with the terms of this Agreement); provided, further, however, that notwithstanding anything to the contrary in this Agreement (including this Section 8.1), for so long as HHC is, or is controlled by a company that is, subject to Section 13 or 15(d) of the Exchange Act, HHC and its Affiliates (including The Howard Hughes Corporation) may make any disclosures about The Howard Hughes Corporation or any of its Subsidiaries and investments (including with respect to HHC and its Interest in the Company) that are reasonably necessary or appropriate for a public company to make without any restrictions.

8.2 Restrictive Covenants.

(a) For a period beginning on the date of this Agreement and ending on the later of (i) the fourth anniversary of this Agreement, and (ii) such time that JG TopCo (and JG and any Permitted Transferees) holds less than a 20% Percentage Share, and (iii) such time that JG no longer provides consulting or similar services to the Company or any of its Subsidiaries (the "**Non-Compete Period**"), JG will not, and will cause JG TopCo and his other Affiliates (other than the Company and its Subsidiaries) not to, directly or indirectly, engage or participate in, or render management services to (whether as owner, operator, member, shareholder, trustee, manager, consultant, strategic partner, employee or otherwise, with or without compensation) any Person engaged in, the Business (a "**Competing Business**"). Notwithstanding the foregoing, following the fourth anniversary of this Agreement, subject to JG providing thirty (30) days' prior written notice to HHC and the Company that JG will terminate the Non-Compete Period, JG shall at the end of such thirty (30) day period no longer be bound by the restrictions in this 8.2(a), subject to Section 6.1(a) of the Company LLC Agreement. For purposes of illustration and not limitation, Competing Business includes ownership of, employment by or management services related to food preparation and service in the setting of any restaurant, hotel or hospitality group in any city in which any Company Group Party is engaged or participates (or management has expressed the intent to engage or participate) in any of the businesses or services referred to in clause (i) of the definition of Business. For the purposes of the foregoing, JG will not be in violation of this 8.2(a) solely by reason of his beneficial ownership, together with that of his Affiliates, of five percent or less of a Competing Business' voting capital stock if (A) such Competing Business is publicly traded and (B) JG and his Affiliates do not control the operation or management of such Competing Business.

(b) During the Non-Compete Period, JG and HHC will not, and will cause their respective Affiliates (other that the Company and its Subsidiaries) not to, directly or indirectly, (i) solicit for employment, recruit or hire (except within the Company and its Subsidiaries), either as an employee or a consultant, any employee or consultant of the Company or any of its Subsidiaries or (ii) otherwise engage or participate in any effort or act to induce any Person to discontinue a relationship with the Company or any of its Subsidiaries; provided, that general advertisements in media not targeted to any such consultants, employees independent contractors or other Persons shall not deemed prohibited solicitations, recruitment or inducement hereunder.

(c) Except as disclosed in connection with any action, suit or other proceeding in connection with the rights or obligations of JG or HHC (or their respective Affiliates) under this Agreement, the MIPA or any other action, suit or other proceeding involving the Company or any of its Subsidiaries, JG and HHC shall not and shall cause their respective Affiliates not to (and will use reasonable best efforts to cause their respective Representatives not to), make or cause to be made or condone the making of any statement, comment or other communication, written or otherwise, that could constitute disparagement or criticism of, or that could otherwise be considered to be derogatory or detrimental to, or otherwise reflect adversely on, harm the reputation of, or encourage any adverse action against, JG, HHC, the Company and its Subsidiaries or any of their respective Affiliates or Representatives or any of the teams, personnel, products or services of the foregoing.

(d) Corporate Opportunities. JG agrees that, until the later of: (i) the end of the Non-Compete Period and (ii) the date JG is no longer a member of the Company's board of directors and does not otherwise provide services as an officer, employee or consultant to the Company or any of its Subsidiaries, JG shall not use (except for the benefit of the Company) or present or offer to any other Person any opportunities relating to the acquisition or ownership of interests in, participation in, operation of or investment in the Business (without regard to city or location of such opportunity), or any business a reasonable person knowledgeable about the Business would characterize as substantially related to the Business.

(e) JG acknowledges and agrees that the duration, content and scope (including the worldwide scope) of the non-competition and non-solicitation provisions included in this Section 8.2 are reasonable, and that compliance with such covenants is necessary to protect the business and goodwill of the Company, HHC, and their respective Affiliates and are an integral factor in HHC's determination to enter into and consummate this Agreement, the other Transaction Documents and the Transactions. The Parties acknowledge that HHC would not have entered into and consummated this Agreement and the other Transaction Documents and the Transactions without receiving the additional consideration offered by JG and his Affiliates in agreeing to be bound by the restrictions contained in this Section 8.2, and that such restrictions are a key requirement of the transactions contemplated by this Agreement, the other Transaction Documents and are a reasonable and necessary protection of the immediate interests of each of the Company, HHC and their respective Affiliates and that any violation or breach of such restrictions would cause substantial injury to each the Company, HHC and their respective Affiliates. Without derogating from the generality of Section 12.14, in the event of a violation or breach (or a threatened violation or breach) by JG or any Affiliate or Representative of JG of such restrictions, each of the Company, HHC and their respective Affiliates will be entitled to an injunction restraining JG or any Affiliate or Representative of JG, as applicable, from such violation or breach (or threatened violation or breach), without the necessity of proving the inadequacy as a remedy of money damages or the posting of a bond; provided, however, that the right to injunctive relief will not be construed as prohibiting the Company, HHC or their respective Affiliates from pursuing any other available remedies, whether at law or in equity, for such violation or breach (or threatened violation or breach). Without derogating from the generality of Section 12.11, in the event that any court of competent jurisdiction, in a final non-appealable judgment or order, shall determine that the duration or the scope (geographic or otherwise), or both, of the non-competition or non-solicitation

provisions included in this Section 8.2 are unreasonable and that such provisions are to that extent unenforceable, the parties agree that such provisions shall remain in full force and effect for the greatest time period and in the greatest scope (geographic or otherwise) that would not render them unenforceable, and in such event JG hereby consents that such provisions may be judicially modified accordingly in any proceeding brought to enforce the provisions of this Section 8.2.

Section 9
Withdrawal

9.1 Withdrawal.

(a) No Member may withdraw, exit or resign from the Company (in his, her or its capacity as a Member), except (i) as specified in Section 7 (in connection with a Transfer by such Member of all of its Interest permitted thereunder) or (ii) with the prior written consent of the (other) Member(s).

(b) Section 18-304 of the Act shall not apply to the Company. Nothing in this Section 9.1(b) limits the terms of Section 12.13.

(c) Anything in Section 18-604 of the Act to the contrary notwithstanding, a Member shall not be entitled to receive any payment upon its resignation, withdrawal or exit from, or otherwise ceasing to be a member of, the Company except as otherwise expressly provided in this Agreement.

Section 10
Dissolution, Liquidation, and Termination of the Company

10.1 Termination and Dissolution. The Company shall be dissolved upon, and (any term of the Act to the contrary notwithstanding) only upon, the earliest to occur of the following:

(a) The determination of the Board, subject to approval as a Major Decision pursuant to Section 6.2; or

(b) without limitation of Section 12.13 (excluding the last sentence thereof), when a judicial decree of dissolution has been issued under Section 18-802 of the Act.

10.2 Liquidation and Distribution. On dissolution of the Company, JG TopCo and HHC (subject to approval as a Major Decision under Section 6.2) shall appoint one or more Persons (which may consist solely of, or include, any Member) to act as liquidator (which Person or Persons (to the extent other than a Member) shall act as liquidator subject to the supervision of JG TopCo and HHC (who may act in connection with such supervision pursuant to Section 6.2)). The liquidator shall proceed diligently, in good faith and in accordance with applicable law to wind up the affairs of the Company and make final distributions as provided in this Agreement. The costs of liquidation shall be borne as a Company expense. Until final distribution, the Members shall continue to operate the Company as provided for in this Agreement. The steps to be accomplished by the liquidator are as follows:

(a) as promptly as practicable after dissolution and again after final liquidation, the liquidator shall cause a proper accounting to be made by a recognized firm of certified public accountants of the Company's assets, liabilities and operations through the last day of the calendar month in which the dissolution occurs or the final liquidation is completed, as applicable;

(b) the liquidator shall sell at auction to the highest bidder all Company Property, with each Member having the right to bid thereon; and

(c) any remaining unsold Company Property, and any proceeds from the disposition of Company Property, shall be distributed in accordance with Section 5.4(a).

10.3 Filing of Certificate of Cancellation. Upon completion of the winding up of the affairs of the Company, the Company, or the Person or Persons selected to act as liquidator of the Company, shall promptly file a Certificate of Cancellation with the Office of the Secretary of State of the State of Delaware.

Section 11
Books, Records, Accounting, and Tax Elections

11.1 Bank Accounts. All funds of the Company shall be deposited in a bank account or accounts maintained in the Company's name.

11.2 Books and Records.

(a) The Company shall keep or cause to be kept complete and accurate books and records of the Company and supporting documentation of the transactions with respect to the conduct of the Company's business. The records shall include complete and accurate information regarding the state of the business and financial condition of the Company, a copy of the Certificate of Formation and this Agreement and all amendments to the Certificate of Formation and this Agreement; a current list of the names and last known business, residence, or mailing addresses of all Members; and the Company's federal, state, or local tax returns.

(b) The books and records shall be maintained in accordance with generally accepted accounting principles in the United States of America and shall be available at the Company's principal office for examination by any Member or the Member's duly authorized representative at any and all reasonable times during normal business hours for any purpose reasonably related to such Member's interest as a Member.

(c) The Company's external Auditor shall be Ernst & Young, LLP, or any other public accounting firm, duly registered with the Public Company Accounting Oversight Board, selected solely by JG TopCo.

(d) The Company must establish an internal audit function in order to comply with the requirements of the Sarbanes-Oxley Act of 2002 ("SOX"), as applicable. If the Company outsources, co-sources, or interacts in any other way with a third-party firm in the execution of its responsibilities under SOX, the Company must use the services of RSM US, LLP, or any other firm selected solely by JG TopCo.

11.3 Annual Accounting Period. The annual accounting period of the Company shall be its taxable year. The Company's taxable year shall be the calendar year.

11.4 Reports; Communications.

(a) Within 15 calendar days after the end of each Fiscal Year of the Company and within 10 calendar days after the end of each month of each Fiscal Year of the Company, the Company shall send to each Person who was a Member at any time during the accounting period then ended consolidated financial statements for the Company and its Subsidiaries for the preceding year, quarter, or month, as the case may be, prepared in accordance with generally accepted accounting principles consistently applied, which statements shall not be audited; provided, however, that upon reasonable request by HHC for any reason, such consolidated year-end financial statements shall be audited by the Company's independent accountants and provided to the Members within 30 calendar days after the end of

the Company's fiscal year. Within 45 calendar days after the end of each taxable year of the Company or as soon as reasonably practicable thereafter, the Company shall send to each Person who was a Member at any time during the taxable year then ended a Form K-1 and any other tax information concerning the Company which is necessary for preparing the Member's income tax returns for that year.

(b) As soon as practicable, but in any event by no later than 10 calendar days, after the end of each fiscal month of the Company, the Company shall prepare and deliver to each Member (i) unaudited statements of operations and cash flows of the Company and its Subsidiaries for such fiscal month, for the entire Fiscal Year to date through the end of such fiscal month and for the corresponding periods in the immediately preceding Fiscal Year, and an unaudited balance sheet of the Company and its Subsidiaries as at the end of such fiscal month, and (ii) a reconciliation of actual and budgeted/forecast results for such fiscal month and for the entire Fiscal Year to date through the end of such fiscal month. The Company shall also make available upon request the supporting balance sheet reconciliations, as well as evidence of execution of any internal control performed in support of the Company's financial statement close process.

(c) As soon as reasonably practicable following the availability thereof, the Company shall deliver to each Member copies of all reports prepared for or delivered to management of the Company by its outside accountants in connection with each annual, interim or special audit of the Company's financial statements made by such accountant.

(d) The Company will, on a regular, ongoing and informal basis, including in person meetings from time to time, communicate with the Members with respect to the business of the Company and its Subsidiaries. These communications must, at a minimum, take place on a monthly basis to review the operations of the most recent completed monthly close.

(e) Promptly, from time to time, the Company shall furnish each Member such information (in writing if so requested) regarding the assets and properties and operations, business affairs and financial condition of the Company and its Subsidiaries as such Member may reasonably request, *provided*, *however*, that the preparation of such information shall not unreasonably interfere with the operation of the Company.

(f) The Company and its Subsidiaries shall afford to any Member and its representatives, during normal business hours, access, upon reasonable advance notice, to all of the books, records and properties of the Company or its Subsidiaries, as applicable, and to make copies of such records and permit such Persons to discuss all aspects of the Company or its Subsidiaries, as applicable, with any representatives of the Company and its Subsidiaries, and the Company and its Subsidiaries shall provide to any Member or its representatives on behalf of such Member responses to all reasonable written requests from such Member or its representatives on behalf of such Member for information relating to the Company, its Subsidiaries and their respective operations. The Company and its Subsidiaries will instruct their independent public accountants to discuss such aspects of the financial condition of the Company or its Subsidiaries, as applicable, with either Member and its representatives as such Person may reasonably request, and to permit such Member and its representatives to inspect, copy and make extracts from such financial statements, analyses, work papers and other documents and information (including electronically stored documents and information) prepared with respect to the Company or its Subsidiaries, as applicable, as such Member may reasonably request, subject to such Member executing any customary access agreements and providing any customary indemnities and waivers reasonably required by the Company's accountants.

11.5 Partnership Representative. After the Effective Date, JG TopCo shall be the Company's, and to the extent applicable, its Subsidiary's, "partnership representative" within the meaning of Section

6223 of the Code and shall act in similar capacities for state and local tax purposes (the "Partnership Representative"). The Partnership Representative shall keep HHC reasonably informed of any proceeding relating to taxes and consult with HHC as to the conduct of any such proceeding, and obtain the prior written consent of HHC before settling or compromising any proceeding relating to taxes that would adversely and disproportionately affect HHC. The Company shall pay and be responsible for all reasonable third-party costs, fees or expenses incurred by the Partnership Representative in performing its duties.

11.6 Tax Elections. If a distribution of Company's or its Subsidiary's property as described in Section 734 of the Code occurs or if a transfer of an Interest as described in Section 743 of the Code occurs, on written request from the transferring Member (if a transfer) or any Member, the Company or its Subsidiary will make the election under Section 754 of the Code for the taxable year in which the transfer or distribution occurs. For the avoidance of doubt, the Company and, as applicable, its Subsidiaries shall make the election under Section 754 of the Code with respect to the sale of Interests to HHC pursuant to the MIPA. The Company or the Subsidiary will not elect to use a method different from the remedial method described in Treasury Regulation Section 1.704-3(d) without approval as a Major Decision under Section 6.2(k).

11.7 Income Tax Returns. The Company shall prepare, or caused to be prepare, all tax returns of the Company and its Subsidiaries in good faith and in a manner consistent with past practice except to the extent required by applicable law. The Company shall, upon the reasonable request of HHC, provide a draft of each income, franchise or similar tax return of the Company and its Subsidiaries to HHC at least fifty (50) days prior to the due date for filing such tax return (taking into account applicable extensions). The Company shall consider in good faith any reasonable comments provided by HHC with respect to such draft tax returns; provided that such comments are provided in writing by HHC at least twenty (20) days prior to the due date for filing such tax return (taking into account applicable extensions).

Section 12
General Provisions

12.1 Notices. All notices or other communications required or permitted hereunder shall be given in writing and given by certified or registered mail, return receipt requested, nationally recognized overnight delivery service, such as Federal Express, or e-mail (or like transmission) with confirmation of transmission by the transmitting equipment or personal delivery against receipt to the party to whom it is given, in each case, at such party's physical address or e-mail address set forth below or such other physical address or e-mail address as such party may hereafter specify by notice to the other parties hereto given in accordance herewith. With respect to any request for consent or approval of Major Decision by HHC or JG TopCo, unless otherwise waived in writing by HHC or JG TopCo (email to suffice), notice shall be provided only by personal delivery or a nationally recognized overnight delivery service, such as Federal Express. Subject to the preceding sentence, any such notice or other communication shall be deemed to have been given (a) as of the date so personally delivered, (b) as of the date transmitted by e-mail or like transmission if such notice or other communication is delivered prior to 5:00 p.m., recipient time, on a Business Day, (c) as of the Business Day after the date transmitted by e-mail or like transmission if such notice or other communication is delivered (i) at or after 5:00 p.m., recipient time, on a Business Day or (ii) on a day that is not a Business Day, (d) on the next Business Day when sent by nationally recognized overnight delivery service, such as Federal Express, or (e) five Business Days after the date so mailed if by certified or registered mail:

If to HHC, to:

Howard Hughes Hospitality, LLC
c/o The Howard Hughes Corporation
9950 Woodloch Forest Drive, Suite 1100
The Woodlands, Texas 77380

with a copy to:

Hughes Hubbard & Reed LLP
One Battery Park Plaza
New York, NY 10004
E-mail Address:
Attention: Kenneth A. Lefkowitz

If to JG or JG TopCo, to:

Jean-Georges Management LLC
111 Prince St., Fl. 2
New York, NY 10012
Attention: Jean-Georges Vongerichten
Attention: Luigi Comandatore
Email:

with a copy to:

Paul Hastings LLP
200 Park Avenue
New York, NY 10166
Attention: Barry A. Brooks
E-mail:

If to any other Member: to such Member based on the information set forth in Annex B with respect to such Member. If to the Company, by notice to both HHC and JG TopCo (or if either such Member is not a Member, the Members at such time).

12.2 Assignment. This Agreement and all of the provisions hereof shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns; *provided*, *however*, that, except to the extent such Transfer is permitted in accordance with Section 7, neither this Agreement nor any of the rights, interests, or obligations hereunder may be assigned by any party hereto without the prior written consent of each other party. Any assignment (including any Transfer) in violation of this Agreement shall be null and void *ab initio*.

12.3 Construction.

(a) Unless otherwise expressly specified herein, (i) defined terms in the singular shall also include the plural and vice versa, (ii) the words "hereof", "herein", "hereunder" and other similar words refer to this Agreement as a whole, (iii) Section, Annexes and Exhibit references in this Agreement are to Sections of and Annexes and Exhibits to this Agreement, and (iv) words of any gender (masculine, feminine, neuter) mean and include correlative words of the other genders.

(b) The captions in this Agreement are for convenience only and shall not in any way affect the meaning or construction of any provision of this Agreement.

(c) All references to "days" shall be to calendar days unless Business Days are specified. If any date provided for in this Agreement shall fall on a day that is not a Business Day, the date provided for shall be deemed to refer to the next Business Day.

(d) Unless the context otherwise requires, (i) "or" is not exclusive and (ii) "including" shall mean "including but not limited to" and "including without limitation".

(e) As used herein, the phrase "date of this Agreement" and any other phrases of similar import shall mean March 1st, 2022.

(f) References to The Howard Hughes Corporation shall be deemed to include any successive successors thereto or acquirors thereof.

(g) All references to "consent of HHC" or "approval by HHC" or similar language, including the Major Decision approval rights set forth in Section 6.2, shall be deemed to refer to the prior written consent or approval of David O'Reilly or Andrew Davis as representative of HHC (the "HHC Representatives"); provided that from time to time, HHC may, upon written notice to JG TopCo, use a representative other than the HHC Representatives for such HHC approval; provided, further, that the consent or approval of one HHC Representative shall be sufficient to be deemed the consent or approval of HHC. All references to "consent of JG TopCo" or "approval by JG TopCo" or similar language, including the Major Decision approval rights set forth in Section 6.2, shall be deemed to refer to the prior written consent or approval of JG. Such approval or consent shall be deemed to have been given by (i) JG TopCo (and JG), if JG has not responded to HHC within three (3) Business Days of delivery of written request for consent or approval by HHC and (ii) HHC, if neither HHC Representative has responded within three (3) Business Days of delivery of written request for consent or approval by HHC; provided, however, that for the avoidance of doubt, if one HHC Representative has vetoed any Major Decision consent or approval request, HHC shall not be deemed to consent or approve of such request notwithstanding the other HHC Representative's failure to respond to such request within such three (3) Business Day period.

(h) For the avoidance of doubt, this Section 12.3 also applies to Annex A hereto.

12.4 GOVERNING LAW; SUBMISSION TO JURISDICTION. THIS AGREEMENT SHALL BE GOVERNED BY THE LAWS OF THE STATE OF DELAWARE (WITHOUT REGARD TO ITS PRINCIPLES OF CONFLICTS OF LAW) AS TO ALL MATTERS, INCLUDING MATTERS OF VALIDITY, CONSTRUCTION, EFFECT AND PERFORMANCE. The parties hereto irrevocably submit, in any legal action or proceeding relating to this Agreement, to the exclusive jurisdiction of the state and federal courts located in the County of New Castle, Delaware (and the appellate courts thereof) and consent that any such action or proceeding may be brought in such courts and waive any objection that they may now or hereafter have to the venue of such action or proceeding in any such court or that such action or proceeding was brought in an inconvenient forum. Each party agrees that a final judgment in any such action shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law.

12.5 Waiver of Jury Trial. EACH PARTY TO THIS AGREEMENT, FOR HIMSELF OR ITSELF AND HIS OR ITS RESPECTIVE AFFILIATES, HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM (WHETHER BASED ON CONTRACT, TORT OR OTHERWISE) ARISING OUT OF OR RELATING

TO THE ACTIONS OF THE PARTIES HERETO OR THEIR RESPECTIVE AFFILIATES PURSUANT TO THIS AGREEMENT OR IN THE NEGOTIATION, ADMINISTRATION, PERFORMANCE OR ENFORCEMENT OF THIS AGREEMENT.

12.6 Waiver of Provisions. The provisions, terms, covenants and conditions of this Agreement may be waived only by a written instrument executed by the party hereto waiving compliance. The failure of any party hereto at any time or times to require performance of any provision of this Agreement shall in no manner affect the right of such party at a later date to enforce the same. No waiver by any party hereto of any condition or the breach of any provision, term, covenant or condition contained in this Agreement, whether by conduct or otherwise, in any one or more instances shall be deemed to be or construed as a further or continuing waiver of any such condition or of the breach of any other provision, term, covenant or condition of this Agreement.

12.7 Counterparts. This Agreement may be executed in several counterparts, and all counterparts so executed shall constitute one agreement, binding on the parties hereto, notwithstanding that such parties are not signatory to the same counterpart.

12.8 Entire Agreement. This Agreement and the other Transaction Documents constitute the entire agreement among the parties, and supersedes and cancels any and all prior agreements among them, relating to the subject matter hereof, including the draft term sheet between HHC and JG dated August 25, 2021.

12.9 No Third Party Beneficiary. Except as provided in Section 6.3 with respect to any Indemnified Persons (but subject in such regard to Sections 7.8(b) and 12.12), this Agreement is for the sole benefit of the parties hereto and their respective successors and permitted assigns and nothing herein, express or implied, is intended to or shall confer upon any other Person (including any creditor of the Company) any legal or equitable right, benefit or remedy of any nature whatsoever under or by reason of this Agreement. For the avoidance of doubt, the terms of Section 8.1, in relation to Confidential Information of the Company, are intended for the separate benefit of, and are separately enforceable by, each of the Company and each Member.

12.10 No Presumption. With regard to each and every term and condition of this Agreement and any and all agreements and instruments subject to the terms hereof or referred to herein, the parties hereto understand and agree that the same have or has been mutually negotiated, prepared and drafted, and if at any time the parties hereto desire or are required to interpret or construe any such term or condition or any agreement or instrument subject hereto, no consideration shall be given to the issue of which party hereto actually prepared, drafted or requested any term or condition of this Agreement or any agreement or instrument subject hereto.

12.11 Severability. To the fullest extent that they may effectively do so under applicable law, the parties hereto hereby waive any provision of law which renders any provision of this Agreement invalid, illegal or unenforceable in any respect. Such parties further agree that any provision of this Agreement which, notwithstanding the preceding sentence, is rendered or held invalid, illegal or unenforceable in any respect in any jurisdiction shall be ineffective, but such ineffectiveness shall be limited as follows: (i) if such provision is rendered or held invalid, illegal or unenforceable in such jurisdiction only as to a particular Person or Persons or under any particular circumstance or circumstances, such provision shall be ineffective, but only in such jurisdiction and only with respect to such particular Person or Persons or under such particular circumstance or circumstances, as the case may be; (ii) without limitation of clause (i), such provision shall in any event be ineffective only as to such jurisdiction and only to the extent of such invalidity, illegality or unenforceability, and such invalidity, illegality or unenforceability in such jurisdiction shall not render invalid, illegal or unenforceable such provision in any other jurisdiction; and

(iii) without limitation of clause (i) or (ii), such ineffectiveness shall not render invalid, illegal or unenforceable this Agreement or any of the remaining provisions hereof. Without limitation of the preceding sentence, (A) it is the intent of the parties hereto that, in the event that in any court or arbitral proceeding, such court or arbitral tribunal determines that any provision of this Agreement is illegal, invalid or unenforceable in any jurisdiction to any extent, such court or arbitral tribunal shall have the power to, and shall, (1) modify such provision (including by limiting the Persons against whom, or the circumstances under which, such provision shall be effective in such jurisdiction) for purposes of such proceeding to the minimum extent necessary so that such provision, as so modified, may then be enforced in such proceeding and (2) enforce such provision, as so modified pursuant to clause (1), in such proceeding, and (B) upon any determination that any provision of this Agreement is invalid, illegal or unenforceable, the parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of such parties as closely as possible in a mutually acceptable manner in order that the transactions contemplated hereby be consummated as originally contemplated to the greatest extent possible. Nothing in this Section 12.11 is intended to, or shall, limit the intended effect of Section 12.4.

12.12 Amendments. Except as otherwise expressly provided in this Agreement (including the rights to amend Annex B in connection with (and in accordance with) permitted changes to the information therein (e.g., to reflect the issuance of additional Units and/or the admission of new Members to the extent permitted under this Agreement)), no modification, amendment or waiver of any provision of this Agreement shall be effective against the Company or any Member unless, but shall be effective against the Company and the Members if, such modification, amendment or waiver is approved in accordance with Section 6.2(e).

12.13 Waiver of Action for Partition. To the fullest extent that they may effectively do so under the Act, each of the Members hereby irrevocably waives and renounces all rights it may have at any time to, and in any event agrees not to, file, bring or maintain, (i) any action or application for dissolution (including any action seeking a court decree of dissolution), termination or liquidation of the Company (including making any application pursuant to Section 18-802 of the Act), or division or sale of the Company Property, or the appointment of a court receiver for the Company, in each case as now or hereafter permitted under the Act or any other applicable law, or (ii) except under circumstances involving a breach of this Agreement by the other Member, any action, application or bill for a Company accounting. Nothing in this Section 12.13 limits the right of any Member to institute or maintain an appropriate action to enforce Section 10 (disregarding Section 10.1(b)) or to exercise any right expressly granted to it under this Agreement.

12.14 Specific Performance; Remedies. The parties agree that money damages would not be a sufficient remedy for any failure by any party to comply with the terms of this Agreement and that each party shall be entitled to equitable relief (without proof of actual damages and not as an exclusive remedy), including an injunction and specific performance, as a remedy for any such failure (or threat thereof) and no party shall oppose the granting of such relief, and each party hereby irrevocably waives any requirement for the security or posting of any bond in connection with such relief. The foregoing remedy is not exclusive and is in addition to any and all other remedies available in law or in equity. The decision to proceed with any one or more available remedies shall not be deemed to be an election of remedies by the deciding party. Except as may otherwise be expressly provided herein, the rights and remedies of the parties hereunder are cumulative and are not exclusive of any rights or remedies that they would otherwise have hereunder (or otherwise at law or in equity).

12.15 Freedom of Action. The Company and the Members acknowledge that each Member and its respective Affiliates together have multiple business interests outside the purposes of the Company. The Company and the Members further acknowledge and agree that, except to the extent provided under Section 8.2 or as may be otherwise expressly agreed to by a Member, neither the Company nor any of its

Subsidiaries has any interest or expectancy in, or right to participate in, any particular investment or business opportunity that is presented to a Member (or any Affiliate, director, officer, employee, holder of any equity interests, partner, trustee, member, manager, representative or agent of a Member). Except to the extent required pursuant Section 8.2 or as may be otherwise expressly agreed to by a Member, no Member (or any Affiliate, director, officer, employee, holder of any equity interests, partner, trustee, member, manager, representative or agent of a Member) shall be obligated to present or offer to the Company or any of its Subsidiaries any particular investment or business opportunity, regardless of whether the Company or such Subsidiary could take advantage of such opportunity if it were presented to the Company or such Subsidiary, but may avail itself of any such opportunity for its own benefit or direct such opportunity to another Person. Except to the extent restricted pursuant to Section 8.2 or as may be otherwise expressly agreed to by a Member, (a) each Member may, independently or with its Affiliates and others, engage or have an interest in other business ventures of any kind, and each Member and its Affiliates may make any investment in, or acquire and own all or any part of, any other business or entity, or engage in any transaction outside of the Company and (b) neither any Member nor any Affiliate, director, officer, employee, holder of any equity interests, partner, trustee, member, manager, representative or agent of such Person shall have any obligation to the Company or any of its Subsidiaries or any of the Members not to (i) engage in the same or similar activities or lines of business as the Company or any of its Subsidiaries or develop or market any products or services that compete, directly or indirectly, with those of the Company or any of its Subsidiaries, (ii) invest or own any interest in, or develop a business relationship with, any Person engaged in the same or similar activities or lines of business as, or otherwise in competition with, the Company or any of its Subsidiaries or (iii) do business with any client or customer of the Company or any of its Subsidiaries.

12.16 Expenses. Except as otherwise expressly provided in this Agreement (including with respect to the payment of the fees and expenses of the Arbitrator under Section 7.4(c)) or any other Transaction Document, each party hereto shall bear all of its expenses incurred in connection with the transactions contemplated by this Agreement (and any such expenses shall not be considered Capital Contributions), including accounting and legal fees incurred in connection herewith.

IN WITNESS WHEREOF, the Company and the Members have executed this Agreement as of the date set forth hereinabove.

JG RESTAURANT HOLDCO LLC

By: /s/ Jean-Georges Vongerichten
Name: Jean-Georges Vongerichten
Title: Authorized Person

IN WITNESS WHEREOF, the Company and the Members have executed this Agreement as of the date set forth hereinabove.

Howard Hughes Hospitality, LLC

By: /s/ Peter F. Riley
Name: Peter F. Riley
Title: Secretary

[Signature Page to A&R Operating Agreement of JG Restaurant Holdco LLC]

IN WITNESS WHEREOF, the Company and the Members have executed this Agreement as of the date set forth hereinabove.

JG TopCo LLC

By: /s/ Jean-Georges Vongerichten
Name: Jean-Georges Vongerichten
Title: Authorized Person

IN WITNESS WHEREOF, the Company and the Members have executed this Agreement as of the date set forth hereinabove.

/s/ Jean-Georges Vongerichten

Jean-Georges Vongerichten

Annex A

1. For purposes of the Agreement to which this Annex A is attached, the following terms shall have the respective meanings specified below.

"Act" means the Delaware Limited Liability Company Act, 6 Del. C. § 18-101 et seq., as amended from time to time.

"Adjusted Capital Account" means, with respect to any Member, the balance, if any, in such Member's Capital Account as of the end of the relevant Fiscal Year, after giving effect to the following adjustments: (a) add to such balance any amounts which such Member is obligated to restore pursuant to Treasury Regulation Section 1.704-1(b)(2)(ii)(c) or the penultimate sentence of each of Treasury Regulation Section 1.704-2(g)(1) and 1.704-2(i)(5); and (b) subtract from such balance the items described in Treasury Regulation Section 1.704-1(b)(2)(ii)(d)(4), (5) and (6). The foregoing definition of Adjusted Capital Account is intended to comply with the provisions of Treasury Regulation Section 1.704-1(b)(2)(ii)(d) and shall be interpreted consistently therewith.

"Affiliate" means with respect to any Person, any other Person that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with such Person; provided, however, that (i) no individual Person or any Person who controls, is controlled by, or is under common control with such individual Person, shall be deemed an Affiliate of another Person solely by reason of such individual's status as a director, officer or employee of such Person, (ii) neither the Company nor any of its Subsidiaries shall be deemed an Affiliate of any other Person (other than the Company and its Subsidiaries), and (iii) with respect to HHC, Affiliates of HHC shall only include Entities directly or indirectly controlled by The Howard Hughes Corporation. As used in this definition, the terms "controls", "controlling", "controlled by" or "under common control with" means the possession, directly or indirectly, through one or more intermediaries, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise.

"Agreed Value" means (a) with respect to all property hereafter transferred to the Company as a Capital Contribution, the Fair Market Value of the property on the date that it is contributed to the Company, as determined by mutual agreement of the Members or, if they fail to agree, a nationally recognized valuation firm chosen by mutual agreement of the Members, (b) with respect to all property distributed by the Company to a Member, the Fair Market Value of the property on the date of distribution as determined by mutual agreement of the Members or, if they fail to agree, a nationally recognized valuation firm chosen by mutual agreement of the Members, and (c) with respect to the last sentence of Section 5.1(a), the Fair Market Value of such Company Property at the time of the event requiring such revaluation as determined by mutual agreement of the Members or, if they fail to agree, a nationally recognized valuation firm chosen by mutual agreement of the Members.

"Available Cash" means an amount of cash of the combined Company and its Subsidiaries, as of the relevant time of determination, in excess of the amount required to be retained by the Company and its Subsidiaries (as determined by the Board in good faith) in order to retain at least $2,500,000 in cash held by the combined Company and its Subsidiaries for a reasonable period following any distribution of such amount of available cash (taking into account anticipated payables and receivables).

"Board" means the Company's board of managers (it is understood that the individuals serving on the Board are referred to as "Directors").

"Book Value" means, with respect to any Company Property, its adjusted tax basis, *provided, however*, that with respect to any Company Property the Agreed Value of which differs from its adjusted

tax basis at the time of its contribution to or distribution from the Company or a revaluation pursuant to the last sentence of Section 5.1(a), Book Value shall be determined in a manner consistent with the determination of Net Income or Net Loss.

"Business" means (i) any business that engages in food preparation or service in the restaurant, daylife or nightlife business (including any bar, dayclub, nightclub or lounge), or any food & beverage business or service, in any city in which the Company or any of its Subsidiaries is engaged or participates (or management has expressed the intent to engage or participate) in any of the businesses or services referred to in this clause (i); (ii) any business that engages in the sale of food products, grocery food, or private label food, or (iii) any other business that Company or any of its Subsidiaries is materially engaged or participating in on or prior to the date of this Agreement; provided, for the avoidance of doubt, that the Business shall not include economic investment in the real property component of a company engaged in the foregoing. For purposes of illustration and not limitation, the Business includes ownership of, employment by or services to any restaurant or hospitality group engaged in food preparation or service.

"Business Day" means any day except a Saturday, a Sunday or any other day on which commercial banks are required or authorized to close in New York, New York.

"Capital Account" means the capital account of a Member in the Company, calculated as set forth in Section 5.1(a).

"Capital Contributions" means the sum of the amount of cash and the Agreed Value of property contributed by a Member to the capital of the Company.

"Cause Event" means (i) JG's commission of any felony or any misdemeanor involving moral turpitude, or any act of fraud, embezzlement or dishonesty against the Company or any of its Affiliates and any customer or supplier thereof, (ii) any breach by JG of any fiduciary duty owed by him to the Company or any of its Affiliates, (iii) any act of moral turpitude or any conduct of JG causing the Company, HHC or any of their respective Affiliates to undergo substantial public disgrace or disrepute, with written notice to JG from the Board within thirty calendar days after becoming actually aware of such event, (iv) use by JG of illegal drugs or repetitive abuse of other drugs or repetitive excess consumption of alcohol, each in a manner which interferes in any material respect with the performance of JG's duties with respect to the Company or any of its affiliates, with written notice to JG from the Board within thirty calendar days after becoming actually aware of such event and which, if capable of being cured, is not cured by JG within thirty days after HHC gives JG written notice thereof, (v) the gross negligence or willful misconduct of JG in the performance of JG's duties with respect to the Company or any of its Affiliates causing material damage to the Business or assets of the Company or its Affiliates, with written notice to JG from the Board within thirty calendar days after becoming actually aware of such event and which, if capable of being cured, is not cured by JG within thirty days after HHC gives JG written notice thereof, (vi) JG's gross negligence or willful misconduct in following and carrying out the lawful and duly adopted directives of the Board, with written notice to JG from the Board within thirty calendar days after becoming actually aware of such event and which, if capable of being cured, is not cured by JG within thirty days after HHC gives JG written notice thereof, (vii) JG's failure in any material respect to observe the policies of the Company applicable to JG, with written notice to JG from the Board within thirty calendar days after becoming actually aware of such event and which, if capable of being cured, is not cured by JG within thirty days after HHC gives JG written notice thereof, or (viii) JG's breach of this Agreement or any other written agreement between JG and HHC, which breach causes material damage to the Business or assets of the Company, HHC or any of their respective Affiliates, with written notice to JG from the Board within thirty calendar days after becoming actually aware of such event and which, if capable of being cured, is not cured by JG within thirty days after HHC gives JG written notice thereof.

"Certificate of Formation" means the Certificate of Formation of the Company filed with the Office of the Delaware Secretary of State in accordance with the Act.

"Code" means the Internal Revenue Code of 1986, as amended, or corresponding provisions of subsequent revenue laws.

"Company Minimum Gain" means, with respect to each Nonrecourse Liability, the amount of gain (of whatever character) that would be realized by the Company if it disposed of the Company Property subject to such liability in a taxable transaction in full satisfaction of such liability (and for no other consideration), and by then aggregating the amounts so computed. It is further understood that Company Minimum Gain shall be determined in a manner consistent with the rules of Treasury Regulation Section 1.704-2(d), including the requirement that if the book value of property (as determined for purposes of computing Net Income and Net Loss) subject to one or more Nonrecourse Liabilities differs from its adjusted tax basis, Company Minimum Gain shall be determined with reference to such book value.

"Company Property" means all property, whether real or personal, tangible or intangible, owned by the Company.

"Confidential Information" means, with respect to the Company or any of its Subsidiaries or any Member, any information relating to such Person's business, properties, assets or other affairs, including trade secrets, customer lists, sales, cost or other financial information, and marketing data. Notwithstanding the foregoing, information will not be deemed Confidential Information under the Agreement if such information: (a) becomes publicly known, except through a breach of the Agreement or any other binding confidentiality obligation; or (b) is independently developed by the receiving party without the use of, or reference to, the disclosing party's Confidential Information.

"Directors" means the Company's directors, as provided for in Section 6.1 of the Agreement.

"Disability" means JG has been unable to perform the essential functions of his position, with or without reasonable accommodation, by reason of a physical or mental impairment that is reasonably expected to be permanent, for ninety (90) consecutive days or one hundred eighty (180) days in any twelve (12) month period, upon a finding by an independent medical doctor (selected by the Company's health insurer and reasonably acceptable to JG or his legal representative).

"Economic Risk of Loss" with respect to any liability of the Company means the economic risk of loss borne by a Member with respect to such liability as determined under Treasury Regulation Section 1.752-2(a).

"Entity" means any Person other than an individual.

"Equity Securities" means, with respect to any Entity, any and all shares, interests, participations, rights in, or other equivalents (however designated and whether voting or non-voting) of, such Entity's capital stock or other equity interests, partnership, membership or limited liability company interests in a partnership or limited liability company or any other interest or participation that confers on a Person the right to receive a share of the profits and losses, or distributions of assets, of the issuing Entity, or options or warrants to obtain any of the foregoing.

"Fair Market Value" means (a) with respect to any property other than an Interest, the price at which a willing seller would sell and a willing buyer would buy such property having full knowledge of the facts, in an arm's-length transaction without time constraints, and without being under any compulsion to buy or sell, and (b) with respect to an Interest, the price at which a willing seller would sell and a willing

buyer would buy such Interest having full knowledge of the facts, in an arm's-length transaction without time constraints, without being under any compulsion to buy or sell, and without factoring in or applying (i) any discount or other reduction in value due to the minority or illiquid nature of any Interest, or the lack of voting or other rights to control or manage the Company or (ii) any control premium, but taking into account the Capital Contributions made by the holder of such Interest and the capital contribution obligations of the Member holding such Interest (in each case, if any); provided, that in order to calculate the Fair Market Value with respect to an Interest hereunder in the case of a Call, the Person determining Fair Market Value shall make a Fair Market Value determination with respect to all of the Interests of the Company in the aggregate (which such aggregate determination shall in no event exceed $300,000,000 with respect to any determination of Fair Market Value as of a date prior to the Lock-Up Expiration Date), and shall take into account: (i) the cessation of JG's services to the Company and its Subsidiaries (and the reduction of expenses related to such services, including the Management Fee) and its effect on the Company and its Subsidiaries as a going concern and such cessation's effect on all existing contractual arrangements of the Company and its Subsidiaries (including, without limitation, those with HHC and its Affiliates) and (ii) the value that would be reasonably expected to be created or preserved through the hiring of the best available replacement for JG (but taking into account the cost (including any compensation and equity) to hire and retain such replacement to act in JG's role), and allocate such total Fair Market Value to the Members in accordance with the applicable Percentage Share of such Interest in order to determine the amount payable with respect to such Interest thereunder, which amount shall be the Fair Market Value of such Interest.

"Fiscal Year" means, as the context may require, any twelve (12) month period commencing on January 1 and ending on December 31.

"Going Public Transaction" means (a) an initial public offering or direct listing by the Company (or its successor or parent) of common equity pursuant to an effective registration statement filed with the SEC under the Securities Act, or other similar direct or indirect transaction pursuant to which the Company's (or its successor's or parent's) common equity becomes publicly traded on any of the New York Stock Exchange, NASDAQ, the London Stock Exchange, Euronext or any of their respective successors, and (b) any transaction by merger or other business combination with a special purpose acquisition company (sometimes referred to as a blank check company) pursuant to which shares listed on any of the New York Stock Exchange, NASDAQ, the London Stock Exchange, Euronext or any of their respective successors constitute the substantial portion of the consideration for the Member's Units.

"Good Reason" means the following actions taken by the Company without JG's prior written consent: (i) a material reduction in the Management Fee, unless pursuant to the terms hereof; (ii) a material reduction in the authority granted to JG under Section 6.1(d), or (iii) relocation of JG's principal place of engagement with the Company to a place that increases JG's one-way commute by more than fifty (50) miles as compared to JG's then-current principal place of engagement with the Company immediately prior to such relocation, except for reasonable amounts of required travel by JG on the Company's business. In order for JG to resign for Good Reason, each of the following requirements must be met: (a) the Board must cause the action triggering Good Reason by vote of a majority of Directors not appointed by JG, (b) JG must provide written notice to the Board within 30 calendar days after the event giving rise to Good Reason setting forth the basis for JG's resignation, (c) JG must allow the Board at least 30 calendar days from receipt of such written notice to cure such event, (d) such event is not reasonably cured within such 30 calendar day period, and (e) JG's provision of services to the Company must terminate, and JG must resign from all positions JG then holds with the Company and its Affiliates not later than 15 calendar days after the expiration of such 30 calendar day period.

"Governmental Entity" means (a) any multinational, federal, provincial, state, municipal, local or other governmental or public department, court, commission, board, bureau, agency or instrumentality,

domestic or foreign; (b) any subdivision, agent, commission or board of any of the foregoing; or (c) any quasi-governmental or private body exercising any regulatory, expropriation or taxing authority under or for the account of any of the foregoing.

"Indebtedness" of any Person means, without duplication (a) all indebtedness for borrowed money of, or advances to, such Person (whether secured or unsecured), or indebtedness or advances issued or incurred in substitution or exchange for indebtedness for borrowed money or advances, (b) all notes payable and drafts accepted representing extensions of credit whether or not representing obligations for borrowed money of such Person, including all obligations evidenced by notes, bonds, debentures, mortgages or other similar instruments, (c) all obligations under conditional sale or other title retention agreements relating to property acquired by such Person, (d) all obligations of such Person in respect of the deferred purchase price of property or services, including earn-out or similar contingent arrangements, (e) all obligations of such Person of the type described in clauses (a) – (d) and (f) – (j) of others secured by (or for which the holder of such obligation has an existing right, contingent or otherwise, to be secured by) any lien or encumbrance on property owned or acquired by such Person, whether or not such obligation secured thereby has been assumed, (f) guaranties by such Person securing obligations of others including those of the type described in clauses (a) – (e) and (g) – (j), (g) all obligations of such Person under capital leases, purchase money obligations or surety bonds, (h) all obligations, contingent or otherwise, of such Person as an account party in respect of letters of credit, to the extent drawn, and letters of guaranty, (i) all obligations, contingent or otherwise, of such Person in respect of bankers' acceptances, (j) the net termination obligations of such Person under all interest rate and other hedging agreements, in each case excluding any intercompany indebtedness, and (k) any prepayment premiums, accrued interest, fees and expenses related to any of the items in clauses (a) – (j); provided, that Indebtedness shall not include trade payables incurred by such applicable Person in the Ordinary Course.

"Interest" means, with respect to any particular Member, the entire limited liability company interest (as such term is defined in the Act) of such Member in the Company, including (a) (i) such Member's rights to share in the income, gain, loss, deductions and credits of, and the right to receive distributions from, the Company, (ii) all other rights, benefits and privileges enjoyed by such Member (under the Act, the Agreement or otherwise) in his, her or its capacity as a Member, including rights to vote, consent and approve or otherwise participate in the management of the Company (if and to the extent applicable), and (iii) all other rights, benefits, privileges and claims of such Member under, or arising under, the Agreement (in his, her or its capacity as a Member or otherwise) and (b) (i) all obligations, duties and liabilities imposed on such Member (under the Act, the Agreement or otherwise) in his, her or its capacity as a Member and (ii) all other obligations, duties and liabilities imposed on such Member under the Agreement (in his, her or its capacity as a Member or otherwise). Without limitation of the foregoing, as of any date with respect to any determination, it is understood that the Units of a Member reflect such Member's Interest.

"Lock-Up Expiration Date" means the fourth anniversary of the Effective Date.

"Managed Restaurant Arrangement" means the operation of restaurants under management or license agreements, or the entry into, renewal, extension, amendment, termination or enforcement of such management or license agreements, in either case not requiring capital investments or lease obligations involving payments by the Company or any Subsidiary in excess of $50,000 per annum, or $100,000 in the aggregate, in each case per restaurant.

"Marketable Securities" means securities issued by a publicly listed company that are freely tradeable by the holder thereof on any of the New York Stock Exchange, NASDAQ, the London Stock Exchange, Euronext or any of their respective successors, but in any event subject to any direct or indirect

relationship the recipient of such Marketable Securities has with the issuer that restricts transfers by such recipient under applicable securities laws.

"Member" means each Person signing the Agreement (excluding the Company) and any Person who (in connection with receiving an Interest in compliance with the terms of the Agreement) subsequently is admitted as a Member of the Company in accordance with the terms of the Agreement (but excluding any Person that is no longer a Member in accordance with Section 9). For purposes of applying Treasury Regulation Section 1.704, Member means partner where the context of the Treasury Regulations requires.

"Member Nonrecourse Debt" means any nonrecourse debt of the Company for which any Member bears the Economic Risk of Loss.

"Minimum Gain" means (a) with respect to Nonrecourse Liabilities, the amount of gain that would be realized by the Company if the Company were to Transfer (in a taxable transaction) all Company Properties that are subject to Nonrecourse Liabilities in full satisfaction of such liabilities, computed in accordance with applicable Treasury Regulations or (b) with respect to each Member Nonrecourse Debt, the amount of gain that would be realized by the Company if the Company were to Transfer (in a taxable transaction) the Company Property that is subject to such Member Nonrecourse Debt in full satisfaction of such debt, computed in accordance with applicable Treasury Regulations.

"Minimum Gain Attributable" to a Member Nonrecourse Debt, with respect to any Member Nonrecourse Debt, shall have the meaning ascribed to such term for purposes of Treasury Regulation Section 1.704-2(i)(5).

"Net Income" or "Net Loss" means, for any taxable year of the Company, the taxable income or loss, respectively, of the Company for federal income tax purposes, except that (a) any income of the Company that is exempt from federal income tax and not otherwise taken into account in computing taxable income or loss shall be added to such taxable income or subtracted from such loss, (b) any expenditures of the Company described in Section 705(a)(2)(B) of the Code or treated as expenditures described in Section 705(a)(2)(B) of the Code pursuant to Treas. Reg. Section 1.704-1(b)(2)(iv)(i) and not otherwise taken into account under this definition (any such expenditures being referred to for purposes of the Agreement as "Section 705(a)(2)(B) Expenditure") shall be subtracted from such taxable income or added to such loss, (c) an amount of gain or loss that would have been recognized by the Company if property distributed by the Company to a Member had instead been sold in a taxable disposition for its Agreed Value at the time of distribution shall be taken into account, (d) if any of the Company's property is revalued pursuant to the last sentence of Section 5.1(a), the amount of such adjustment shall be taken into account as gain or loss from the disposition of such property and (e) items of income, gain, loss or deduction with respect to Company Property having a Book Value that differs from its adjusted basis for tax purposes shall be computed by reference to the Book Value of such property. Except as otherwise provided in the Treasury Regulations issued under Section 704(b) of the Code, such amounts shall be computed without regard to any basis adjustment for federal income tax purposes under Sections 732, 734 and 743 of the Code resulting from an election under Section 754 of the Code.

"Nonrecourse Deductions" shall have the meaning set forth in Treasury Regulations Sections 1.704-2(b)(1) and 1.704-2(c).

"Nonrecourse Liability" means any Company liability (or portion thereof) for which no Member bears the Economic Risk of Loss.

"Ordinary Course" means, with respect to an action taken or not taken by a Person, (a) such action or omission, respectively, is consistent with the past practices of such Person and is taken or not taken,

respectively, in the ordinary course of the normal day-to-day operations of such Person, (b) such action complies in all material respects with all applicable laws, and (c) such action or omission, respectively, is not otherwise required to be authorized by such Person's governing body or equityholders, and would not be required to be authorized by a board of directors (or similar governing body) or stockholders of a Delaware corporation.

"Partnership Level Tax" means any income tax imposed at the entity level that is intended to meet the requirements of Internal Revenue Service Notice 2020-75.

"Percentage Share" means, with respect to any Member, the ratio (expressed as a percentage) of the aggregate number of all Units directly held by such Member on such date to the aggregate number of Units directly held by the Members. The combined Percentage Share of all Members shall at all times equal 100%. The Member's Percentage Shares as of the Effective Date are set forth on Annex B hereto, as the same may be adjusted (a) in connection with a Permitted Transfer, (b) pursuant to Sections 3.2, 4.3 or 7 or (c) in connection with any issuance of Interests (or Units therein) (subject to Section 4.3 and approval under Section 6.2(j)).

"Permitted Transfer" means, (a) with respect to JG TopCo or JG, a Transfer of all or a portion of an Interest (including any Units therein) to (i) a trust solely for the benefit of JG or the members of JG's immediate family with JG acting as trustee of such trust and retaining control thereunder for so long as JG is physically able; (ii) an entity that is owned solely by JG and the members of JG's immediate family with JG retaining authority to appoint all of the directors (or persons serving in a similar capacity) for so long as JG is physically able; or (iii) to a member or members of JG's immediate family, or a vehicle owned by such member, whether or not for estate planning purposes, and (b) with respect to HHC and its Permitted Transferees, (i) a Transfer of all or a portion of an Interest (including any Units therein) to an Affiliate of HHC, (ii) any Transfer of Interests (including any Units therein) owned by HHC and its Permitted Transferees as a part of a transaction in which The Howard Hughes Corporation transfers such Interests together with a portion of the other assets directly or indirectly owned by The Howard Hughes Corporation so long as the Interests being Transferred represent no more than 25% of the fair market value of such aggregate assets transferred or (iii) a Pier 17 Transaction; provided, in the case of clauses (ii) or (iii) of subsection (a) and clause (i) of subsection (b), that such Transfer is not to a Prohibited Person.

"Permitted Transferee" means the recipient of a Permitted Transfer or any other Transfer permitted in accordance with Section 7, or any successor or acquiror thereof.

"Person" means any (a) individual, corporation, company, partnership (including any limited partnership or limited liability partnership), limited liability company, joint venture, association, trust (including a common law trust, business trust, statutory trust or any other form of trust), or other entity or unincorporated organization or (b) Governmental Entity.

"Pier 17 Transaction" means any sale, transfer, assignment, or other transaction resulting in HHC and its Affiliates no longer retaining their leasehold interest in (a) the Tin Building or (b) the majority of the other real estate properties located at Pier 17 to which HHC holds a leasehold interest as of the date of this Agreement.

"Prohibited Person" means (a) any Person with respect to which a Disqualification Event is applicable, except, if applicable, for a Disqualification Event as to which Rule 506(d)(2)(ii) or (iii) or (d)(3) is applicable, or (b) any Person that engages in the Business in a manner that directly competes with the Company or any of its Subsidiaries operation of its restaurants in New York City.

"Sale of the Company" means a sale to a Third Party of all or substantially all of the equity (subject to the roll over of equity as contemplated by Section 7.5(c)(iv)(y)) or all or substantially all of the assets of the Company and its Subsidiaries, taken as a whole, by sale of the Interests (including Units thereof), merger, consolidation, sale of assets, sale of Subsidiaries, or otherwise.

"Section 705(a)(2)(B) Expenditure" shall have the meaning assigned to such term in the definition of the term "Net Income" or "Net Loss."

"Securities Act" means the Securities Act of 1933, as amended.

"Subsidiary" means, with respect to the Company, any Entity which is a directly or indirectly controlled Affiliate of the Company, and including any Entity as to which the Company owns, of record or beneficially, directly or indirectly, (a) 50% or more of the voting power or otherwise holds sufficient voting power or rights (by securities, contract or otherwise) to enable the Company (or its Subsidiary) to elect a majority of such Entity's board of directors or other governing body or (b) (i) if such Entity is a corporation, 50% or more of the outstanding capital stock or issued share capital and (ii) if such Entity is not a corporation, 50% or more of the equity and profits interests at the time any determination thereof is made.

"Third Party" means a Person other than the Company, a Member or an Affiliate of any Member.

"Transaction Documents" means the Agreement, the MIPA, the Group Contribution Agreements and the Warrant.

"Transactions" means the transactions contemplated by this Agreement and the other Transaction Documents.

"Transfer" means any direct or indirect offer, sale, contract to sell, assignment, alienation, gift, transfer, hypothecation, exchange, mortgage, pledge, grant of a security interest or other disposition or encumbrance, whether voluntary or involuntary. A Transfer shall, without limitation of the foregoing, include any of transaction that, in whole or in part, transfers any economic consequences of ownership. The Transfer of the equity interest in a Member (or in any Person who directly or indirectly owns any equity interests of such Member) shall be deemed an indirect Transfer of such Member's Interest. However, any term of this definition above, or the rest of the Agreement, to the contrary notwithstanding, (i) in no event will any direct or indirect offer, sale, contract to sell, assignment, alienation, gift, transfer, hypothecation, exchange, mortgage, pledge, grant of a security interest or other disposition, encumbrance, whether voluntary or involuntary, of any securities of The Howard Hughes Corporation (or of any Person who directly or indirectly owns any securities of The Howard Hughes Corporation) constitute a Transfer and (ii) in no event will the issuance of 20% of the Equity Securities in JG TopCo, in profits interests or equity interests in JG TopCo (or other securities exercisable or exchangeable therefor, but in any event without any voting, approval, veto, consent or other decision-making rights) to service providers of the Company pursuant to agreements solely between such service provider and JG TopCo, constitute a Transfer.

"Treasury Regulations" means final and temporary regulations promulgated under the Code.

"Unit Sale Adjustments" means (i) the reasonable and documented fees and expenses incurred by HHC and its Affiliates in connection with the evaluation, negotiation and consummation of a Sale Transaction, and (ii) any negative working capital, cash or debt adjustment or similar negative purchase price adjustments, escrow amounts or other purchase price holdbacks, or any Company or sellers' indemnity obligation or similar post-closing obligations (other than in respect of indemnification or similar obligations relating solely to a particular Member, such as obligations in respect of representations and warranties made by, or covenants of, a specific selling Member, which shall be incurred solely by such

Member and shall not deduct from Unit Sale Value as a Unit Sale Adjustment) reducing the Sale Consideration applicable to such Sale Transaction, in each case of clauses (i) and (ii), to the extent not paid or reimbursed by the Company or the purchaser.

"Unit Sale Value" means, with respect to any Sale Consideration payable by a purchaser in connection with a Sale Transaction in accordance with this Agreement, the amount that would be distributed with respect to each Unit being sold if the assets of the Company were sold and the aggregate amount of such Sale Consideration, minus any Unit Sale Adjustments, were distributed to the selling Members in accordance with the terms and limitations applicable to Section 5.4(a); provided, however, that in the event any such escrow amount withheld or other purchase price holdback that was included in the calculation of Unit Sale Adjustments to reduce the Unit Sale Value payable initially to the Members is later released as Sale Consideration, or there is any additional earnout or other payment owed to the Members and payable following the date of the initial payment based on Unit Sale Value as of such date, such additional amount shall be deemed to be additional Unit Sale Value and apportioned to and paid to the Members in accordance with Section 7.5(d).

"Warrant" means that certain Warrant Agreement between the Company and HHC, dated as of the Effective Date.

"Working Capital Funding" means HHC's payment as of the Effective Date to the Company of $10,000,000 in connection with the issuance of the Warrant.

2. Index of Defined Terms. The following terms are defined in the sections of the Agreement indicated:

Index of Defined Terms

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Arbitrator	7.4(c)
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Buy Response	7.6(c)
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Buy/Sell Period	7.6(c)
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Unit	3.1
Units	3.1

SECOND AMENDED AND RESTATED

LIMITED LIABILITY COMPANY AGREEMENT

OF

FULTON SEAFOOD MARKET, LLC

(a Delaware limited liability company)

THE LIMITED LIABILITY COMPANY INTERESTS REPRESENTED BY THIS AGREEMENT HAVE BEEN ACQUIRED FOR INVESTMENT AND HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR OTHER SIMILAR FEDERAL OR STATE STATUTES OR AGENCIES IN RELIANCE UPON EXEMPTIONS FROM REGISTRATION AS PROVIDED IN THOSE STATUTES. THE SALE, ASSIGNMENT, TRANSFER, EXCHANGE, MORTGAGE, PLEDGE OR OTHER DISPOSITION OF ANY INTEREST IS RESTRICTED IN ACCORDANCE WITH THE PROVISIONS OF THIS AGREEMENT, AND THE EFFECTIVENESS OF ANY SUCH SALE OR OTHER DISPOSITION MAY BE CONDITIONED UPON, AMONG OTHER THINGS, RECEIPT BY THE COMPANY OF AN OPINION OF COUNSEL REASONABLY SATISFACTORY TO THE COMPANY AND ITS COUNSEL THAT SUCH SALE OR OTHER DISPOSITION CAN BE MADE WITHOUT REGISTRATION UNDER THE SECURITIES ACT OF 1933, AS AMENDED AND OTHER APPLICABLE FEDERAL OR STATE STATUTES. BY ACQUIRING THE INTERESTS REPRESENTED BY THIS AGREEMENT, EACH MEMBER REPRESENTS THAT IT WILL NOT SELL OR OTHERWISE DISPOSE OF ITS INTEREST IN THE COMPANY WITHOUT REGISTRATION OR OTHER COMPLIANCE WITH THE AFORESAID STATUTES AND RULES AND REGULATIONS THEREUNDER AND THE TERMS AND PROVISIONS OF THIS AGREEMENT.

Effective as of August 11, 2022

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SECOND AMENDED AND RESTATED

LIMITED LIABILITY COMPANY AGREEMENT

OF

FULTON SEAFOOD MARKET, LLC

THIS SECOND AMENDED AND RESTATED LIMITED LIABILITY COMPANY AGREEMENT (this "**Agreement**") of Fulton Seafood Market, LLC (the "**Company**"), is made and entered into as of August 11, 2022 (the **"Effective Date"**), by and between HHC Seafood Market Member, LLC, a Delaware limited liability company (the "**HHC Member**"), and VS-Fulton Seafood Market LLC, a Delaware limited liability company (the "**VS Member**"). HHC Member and the VS Member are hereinafter sometimes referred to individually as a "**Member**" and collectively as the "**Members**".

BACKGROUND:

A. The Members formed the Company on July 22, 2015, for the purpose of leasing the Premises and operating a first-class "Jean Georges concept" food hall and market place, featuring various menus and atmospheres that will prepare and sell a variety of specialty goods, beverages and products, fresh seafood and other products (the "**Market**");

B. The Members entered into the Limited Liability Company Agreement of the Company, as of July 24, 2015 (the "**Original Company LLC Agreement**"), to provide for the conduct of the business and affairs of the Company and the rights and obligations of the Members with respect thereto;

C. The Original Company LLC Agreement was superseded and replaced in its entirety by the Amended and Restated Limited Liability Company Agreement of the Company, dated as of January 8, 2018 (the "**Amended and Restated Operating Agreement**"), by and among the Company and the Members of the Company;

C. The Members now desire to amend, restate and replace the Amended and Restated Operating Agreement in its entirety as of the Effective Date as set forth herein.

NOW, THEREFORE, in consideration of the mutual agreements hereinafter contained, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Members hereby covenant and agree as follows:

ARTICLE 1
DEFINITIONS

1.1 Definitions. As used in this Agreement, the following terms shall have the respective meanings set forth below:

"**Act**" shall mean the Delaware Limited Liability Company Act (6 Del. C. §18-101 et seq.), as it may be amended from time to time or any successor to the Act.

"**Additional Capital Contribution**" shall mean any Capital Contribution made by a Member to the Company pursuant to **Sections 4.1(b)** and **(c)**.

"**Additional Member**" shall mean any Member other than HHC Member or the VS Member.

"**Adjusted Capital Account Deficit**" means, with respect to any Member, the deficit balance, if any, in such Member's Capital Account as of the end of the relevant Fiscal Year or other relevant period, after giving effect to the following adjustments:

(i) credit to such Capital Account any amounts which such Member is obligated to restore pursuant to any provision of this Agreement or is deemed to be obligated to restore pursuant to Treasury Regulations § 1.704-l(b)(2)(ii)(c), the penultimate sentence of Treasury Regulations § 1.704-2(g)(l), or the penultimate sentence of Treasury Regulations § 1.704-2(i)(5); and

(ii) debit to such Capital Account the items described in Treasury Regulations §§ 1.704 l(b)(2)(ii)(d)(4), (5) and (6).

This definition of Adjusted Capital Account Deficit is intended to comply with Treasury Regulations § 1.704 l(b)(2)(ii)(d) and must be interpreted consistently therewith.

"**Advisors**" shall have the meaning set forth in **Section 7.9(b)**.

"**Affiliate**" shall mean with respect to any Person, any other Person that directly or indirectly through one or more intermediaries controls, is controlled by or is under common control with such Person. For the purposes of this definition, "control" (including with correlative meanings, the terms "controlling", "controlled by", and "under common control with") as applied to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of that Person, whether through ownership of voting securities or by contract or otherwise.

"**Agreement**" shall mean this Limited Liability Company Agreement, as amended.

"**Annual Operating Budget**" shall have the meaning set forth in **Section 7.4**.

"**Approved by the Members**" or "**Approval of the Members**" shall mean the unanimous written consent (or deemed consent, if applicable) of HHC Member and the VS Member, which may be given or withheld by either of them in their sole and absolute discretion.

"**Available Cash**" shall mean, at any time, the amount of cash of the Company that exceeds the Reserved Amount, less the Private Label Net Proceeds solely attributable to sales of Private Label Products sold "outside of the Market".

"**Breaching Member**" shall have the meaning set forth in **Section 10.1**.

"**Business Day**" shall mean any day except a Saturday, Sunday or other day on which commercial banks in New York City are authorized or required by law to close.

"**Capital Account**" shall mean with respect to each Member, a separate account that will be established and maintained in accordance with the provisions set forth in **Section 4.3**.

"**Capital Contributions"** shall mean, with respect to each Member, the amount of cash and/or the fair market value of other property actually contributed by such Member to the Company pursuant to, and in accordance with the terms and provisions of, this Agreement.

"**Capital Event**" shall mean: (i) any sale or other disposition, condemnation, eminent domain, casualty, financing or refinancing of all or substantially all of the assets and business of the Company and any and all of the Company's direct and indirect subsidiaries (taken together); or (ii) any and all transactions, sales, dispositions and other events undertaken in connection with and/or in contemplation of the Company's liquidation.

"**Certificate of Formation**" shall mean the Certificate of Formation forming the Company as filed with the Delaware Secretary of State on July 22, 2015, as it may be amended from time to time in accordance with the terms of this Agreement and the Act.

"**Code**" shall mean the Internal Revenue Code of 1986, as amended or replaced.

"**Company**" shall mean Fulton Seafood Market, LLC, a Delaware limited liability company.

"**Company Minimum Gain**" will mean the "partnership minimum gain" of the Company as defined in Treasury Regulations § 1.704-2(d).

"**Construction Period**" shall mean the period beginning with the month that the construction of the Improvements is scheduled to begin and ending on the date that the Market is scheduled to open.

"**Depreciation**" shall mean, for each Fiscal Year or other relevant period, an amount equal to the depreciation, amortization, or other cost recovery deduction allowable with respect to an asset for such year or other period, except that if the Gross Asset Value of an asset differs from its adjusted basis for federal income tax purposes at the beginning of such year or other period, except as required by Section 1.704-3(d) of the Regulations, Depreciation shall be an amount which bears the same ratio to such beginning Gross Asset Value as the federal income tax depreciation, amortization, or other cost recovery deduction for such year or other period bears to such beginning adjusted tax basis; provided, however, that if the federal income tax depreciation, amortization, or other cost recovery deduction for such year is zero, Depreciation shall be determined with reference to such beginning Gross Asset Value using any reasonable method selected by the Managing Member.

"**Development Fee**" shall have the meaning set forth in **Section 3.12(a)**.

"**Disassociated Member**" shall mean a Member who has ceased to be a Member as a result of an Event Bankruptcy or Dissolution or redemption by the Company of all the Member's Interest in the Company or a Transfer by the Member of all the Member's Interest in the Company.

"**Dissolution**" shall mean, with respect to any Member that is not a natural Person, that such Member has terminated its existence, wound up its affairs and liquidated.

"**Due Date**" shall mean the fifth (5th) Business Day following the date of the Funding Notice, or such later date as set forth in the applicable Funding Notice.

"**Economic Interest**" shall mean the right to share in distributions and allocations of the Company in accordance with the terms of this Agreement, but shall not include any other rights of a Member, including, without limitation, the right to vote or participate in management of the Company or, except as required by the Act, to receive information concerning the Company.

"**Effective Date**" shall have the meaning set forth in the preamble.

"**Encumbrances**" shall mean any title defects, objections, liens, claims, mortgages, pledges, charges, security interests, encumbrances, leases, options to purchase, rights of first refusal, material restrictions or adverse claims of any nature whatsoever.

"**Entity**" shall mean any general partnership, limited partnership, corporation, limited liability company, joint venture, trust, business trust, cooperative or association (whether or not having a separate legal status from its beneficial holders under applicable law).

"**Equity Interest**" shall have the meaning set forth in **Section 9.1(b)**.

"**Event of Bankruptcy**" shall mean, with respect to any Person, the occurrence of any of the following events:

(i) the making of a general assignment for the benefit of creditors;

(ii) the filing of a voluntary petition in bankruptcy;

(iii) being adjudged bankrupt or insolvent or having entered against that Person an order for relief in any bankruptcy or insolvency proceeding;

(iv) the filing of a petition or answer seeking for that Person any reorganization, arrangement, composition, readjustment, liquidation, dissolution, or similar relief under any statute, law, or regulation that is not removed or stayed within one hundred twenty (120) days of filing;

(v) seeking or consenting to the appointment of a trustee, receiver or liquidator of the Member or of all or any substantial part of that Person's properties; or

(vi) filing an answer or other pleading admitting or failing to contest the material allegations of a petition filed against the Person in any proceeding described in (i) through (v) above.

"Event of Default" is defined in Section 10.1.

"FF&E" shall mean the furniture, fixtures and equipment of the Market.

"**Fiscal Year**" means the 12-month period ending December 31 of each year; provided that the last Fiscal Year will be the period beginning on January 1 of the calendar year in which the final liquidation and termination of the Company is completed and ending on the date the final liquidation and termination is completed (to the extent any computation or other provision hereof provides for an action to be taken on a Fiscal Year basis, an appropriate proration or other adjustment shall be made in respect of the final Fiscal Year to reflect that the period is less than 365 days).

"**Force Majeure**" shall mean the inability to perform a duty or an obligation due to causes or occurrences which are outside of the control of the party whose duty or obligation is postponed and could not be avoided by the exercise of due care on the part of such party, such as acts of God, fires, labor disputes or strikes, building moratoria and unusual government delays, unavailability of materials by reason of shortages which generally affect the region in which the Project is located or which are national in scope, unusual delays in transportation, or unusually severe weather conditions causing cessation of work for periods of time materially longer than may be anticipated from the normal weather patterns in New York, New York; provided, however, that the term "**Force Majeure**" shall not include the postponement or delay in the performance of any duty or obligation that is attributable to the financial hardship or insufficiency of funds by a party.

"**FPPA**" shall have the meaning set forth in **Section 9.6(k)**.

"**GAAP**" means generally accepted accounting principles in use from time to time in the United States of America.

"**Gross Asset Value**" means, with respect to any Company asset, the asset's adjusted tax basis for federal income tax purposes, except as follows:

(i) The initial Gross Asset Value of any asset contributed by a Member to the Company will be the gross fair market value of such asset;

(ii) the Gross Asset Values of all Company assets will be adjusted to equal their respective gross fair market values immediately prior to the occurrence of any event set forth in Regulations section 1.704-1 (b)(2)(iv)(f);

(iii) the Gross Asset Value of any Company asset distributed to any Member will be the fair market value of such asset on the date of distribution; and

(iv) the Gross Asset Values of Company assets will be increased (or decreased) to reflect any adjustments to the adjusted tax basis of such assets pursuant to Code section 734(b) or Code section 743(b), but only to the extent that such adjustments are taken into account in determining Capital Accounts pursuant to Reg. § 1.704-l(b)(2)(iv)(m) and **Section 4.3**. If the Gross Asset Value of an asset has been determined or adjusted pursuant to item (i) or (ii) above, or this item (iv), such Gross Asset Value will thereafter be adjusted by the Depreciation taken into account with respect to such asset for purposes of computing the Net Profits or Net Losses of the Company.

"**Gross Receipts**" shall have the meaning given to such term in the Management Agreement.

"**Indebtedness**" shall mean (i) all obligations of the Company for borrowed money, (ii) all obligations of the Company evidenced by bonds, debentures, notes or other similar instruments, and all reimbursement or other obligations in respect of letters of credit, bankers acceptances, interest rate swaps or other financial products, (iii) all obligations of the Company as a lessee under a capital lease, (iv) all obligations or liabilities of others secured by a lien on any asset of the Company, irrespective of whether such obligation or liability is assumed, (v) all obligations of the Company to pay the deferred purchase price of assets (other than trade payables incurred in the ordinary course of business and repayable in accordance with customary trade practices), (vi) all obligations of the Company owing under any hedging swap or similar agreement and (vii) any obligation of the Company with respect to the guarantee of any obligation of any other Person that constitutes Indebtedness under any of clauses (i) through (vii) above.

"**Independent Accountant**" shall mean the independent certified public accountant that has been Approved by the Members.

"**Interest**" shall mean the entire interest of a Member in the Company at any particular time, including such Member's then Percentage Interest, and all right, title and interest of such Member to any and all voting rights and other benefits to which such Member may be entitled as provided in this Agreement, together with the obligations of such Member to comply with all the terms and provisions of this Agreement.

"**Landlord**" shall mean South Street Seaport Limited Partnership, as landlord under the Lease.

"**Landlord Contribution Amount**" shall mean an amount equal to all (100%) of pre-development, development, construction (hard and soft costs), pre-opening, opening and any other costs related to the development, construction, promotion and marketing of the Market paid or otherwise settled by Landlord or HHC Member, regardless of whether the amounts are characterized as capital contributions if, and to the extent that, these amounts are incurred by or on behalf of Landlord or HHC Member, as the case may be, and are directly related to the development, construction, pre-opening, opening, promotion, marketing, or any other costs related to the development, operation or marketing of the Market.

"**Lease**" shall mean the Lease Agreement by and between the Company, as tenant, and the South Street Seaport Limited Partnership, as landlord, dated as of January 8, 2018, as amended by that certain First Amendment To Lease, dated as of June 9, 2022, with respect to the Premises.

"**Lien**" shall mean any liens, security interests, mortgages, deeds of trust, charges, claims, encumbrances, pledges, options, rights of first offer or first refusal and any other rights or interests of others of any kind or nature, actual or contingent, or other similar encumbrances of any nature whatsoever.

"**Liquidator**" shall mean the Managing Member, unless the Managing Member is a Breaching Member, in which case a special liquidator shall be appointed by the Non-Breaching Member.

"**Major Decisions**" shall mean those actions identified as Major Decisions which must be Approved by the Members as set forth in **Section 7.3**.

"**Management Agreement**" shall mean the Market Hall Management Agreement, dated July 1, 2020, by and between the Company, as Owner, and Creative Culinary Management Company LLC, as Manager, as amended by that certain First Amendment to Market Hall Management Agreement, dated as of August 11, 2022.

"**Management Fee**" shall mean the management fee payable pursuant to the terms of the Management Agreement.

"**Managing Member**" shall mean the HHC Member, and its successors and assigns.

"**Market**" shall have the meaning set forth in Recital A.

"**Market Expenses**" shall have the meaning given to such term in the Management Agreement.

"**Market Manager**" shall mean CCMC.

"**Member**" shall have the meaning set forth in the preamble.

"**Member Minimum Gain**" means partner nonrecourse debt minimum gain as determined under the rules of Treasury Regulations § 1.704-2(i).

"**Member Nonrecourse Deduction**" has the meaning set forth in Treasury Regulations § 1.704-2(i)(l) and (2).

"**Net Profits**" or "**Net Losses**" shall mean for any Fiscal Year the amount, computed as of the last day thereof, of the net income or net losses of the Company determined in accordance with United States federal income tax principles (but without requiring any items to be stated separately pursuant to Section 703 of the Code), with the following adjustments:

(v) Any income of the Company that is exempt from federal income tax will be included in the computation of Net Profits and Net Losses;

(vi) Any expenditures of the Company described in Section 705(a)(2)(B) of the Code or treated as Code Section 705(a)(2)(B) expenditures pursuant to Treasury Regulation Section 1.704-l(b)(2)(iv)(i) will be included in the computation of Net Profits and Net Losses;

(vii) Gain or loss resulting from the disposition of a Company asset shall be determined by reference to the Gross Asset Value (rather than adjusted tax basis) of the Company asset;

(viii) In lieu of the depreciation, amortization and other cost recovery deductions taken into account in computing such taxable income or Net Profits and Net Losses, there shall be taken into account Depreciation for such Fiscal Year or other period;

(ix) If the Gross Asset Value of any Company asset is adjusted in accordance with subparagraph (ii), (iii) or (iv) of the definition of Gross Asset Value, the amount of that adjustment shall be taken into account as gain or loss from the disposition of that asset; and

(x) Any items that are allocated pursuant to **Sections 6.2** and **6.3** shall not be taken into account in the calculation of Net Profits or Net Losses, but the rules set forth above shall be applied for purposes of calculating such items under **Sections 6.2** and **6.3.**

"**Nonrecourse Deductions**" has the meaning set forth in Treasury Regulations § 1.704-2.

"**Operating Expenditures**" shall mean any and all items of expenditure pertaining to the ownership, operation, maintenance, repair, leasing, financing, marketing and/or disposition of the Market whether characterized under GAAP as operating expenses or capital expenditures, including, without limitation, debt service on any Indebtedness of the Company, ad valorem taxes assessed on real or personal property of the Company, taxes of any nature imposed on the Company, insurance, utilities, advertising, reserves and/or payments into a reserve account as contained in an Annual Operating Budget or that have been Approved by the Members, amounts payable under the Management Agreement, the Rent payable under the Lease, maintenance, repair and refurbishment expenditures and accounting, auditing and reporting expenses.

"**Partially Adjusted Capital Account**" means, with respect to any Member as of the end of any taxable year or other period of the Company, the Capital Account balance of such Member at the beginning of such year or period, adjusted for all contributions and distributions during such year or period and all special allocations pursuant to **Section 6.2** and **6.3** with respect to such year or period but before giving effect to any allocations of Net Profit or Net Loss pursuant to **Section 6.1** for such year or period.

"**Person**" shall mean any individual or Entity.

"**Post-TEFRA Rules**" shall have the meaning set forth in **Section 9.6(a)**.

"**Preferred Return Amount**" shall mean a cumulative preferred return to HHC Member of eighteen percent (18%) per annum, compounded annually, on the total sum of **(A)** the aggregate of the Landlord Contribution Amount, plus **(B)** the aggregate amount of any other Capital Contributions made to the Company by the HHC Member, that in the aggregate (i.e., the total sum of all amounts under clauses (A) and (B) of this paragraph) exceeds of ONE HUNDRED SEVENTY MILLION AND 00/100 DOLLARS ($170,000,000.00).

"**Premises**" shall have the meaning given to such term in the Lease.

"**Private Label Expenses**" shall mean any and all costs or expenses incurred in connection with, or allocated to, the design, manufacture, transportation, storage, marketing or sale of any Private Label Products.

"**Private Label Net Losses**" shall mean, for each Fiscal Year (or other accounting period), the amount, if any, by which the Private Label Expenses for the applicable Fiscal Year (or other accounting period) exceed the Private Label Proceeds for such Fiscal Year (or other accounting period).

"**Private Label Net Proceeds**" shall mean, for each Fiscal Year (or other accounting period), the amount, if any, by which the amount of Private Label Proceeds for the applicable Fiscal Year (or other accounting period) exceed the Private Label Expenses for such Fiscal Year (or other accounting period).

"**Private Label Proceeds**" shall mean, for any applicable period, determined on an "accrual basis", the actual, gross receipts (including cash, credit card and debit card receipts) derived from any and all sales or licensing of Private Label Products.

"**Private Label Products**" shall mean, any products sold by the Market, Jean Georges Vongerichten, Manager or any of their respective employees, contractors, licensees, assignees or Affiliates (collectively, the "**JG Parties**") that contain a product label bearing the Private Label Protected Name, regardless if any of the JG Parties developed or created the products.

"Push-Out Election" shall have the meaning set forth in **Section 9.6(h)**.

"**Regulations**" shall mean the Treasury Regulations promulgated under the Code, as amended and in effect from time to time (including corresponding provisions of any succeeding regulations).

"**Regulatory Allocations**" shall have the meaning set forth in **Section 6.2**.

"**Reserved Amount**" shall mean, at any time, an amount of cash of the Company that is required or desirable to be retained by the Company to pay the Operating Expenditures or otherwise for the financial needs, reserves or contingencies of the Company. The Reserved Amount shall be determined by the Managing Member and Approved by the Members.

"**Section 6226 Statement**" shall have the meaning set forth in **Section 9.6(k)**.

"**Securities Act**" shall mean the United States Securities Act of 1933, as amended.

"**Substituted Member**" shall mean any Person admitted to the Company as a Member pursuant to the provisions of **Section 9.2(c)**.

"**Target Account**" means, with respect to any Member as of the end of any taxable year of the Company or other period, the excess of (i) an amount (which may be positive or negative) equal to the hypothetical distribution (or contribution) such Member would receive (or be

deemed required to contribute) with respect to its equity interest in the Company if all assets of the Company, including cash, were sold for cash equal to their Gross Asset Value (taking into account any adjustments to Gross Asset Value for such year or other period), all indebtedness of the Company and other liabilities of the Company treated as indebtedness for Capital Account maintenance purposes were then due and were satisfied according to its terms (limited, with respect to each nonrecourse liability, to the Gross Asset Value of the assets securing such liability) and all remaining proceeds from such sale were distributed pursuant to **Section 5.1(b)** over (ii) the amount of Company Minimum Gain and Member Minimum Gain that would be charged back to such Member as determined pursuant to Treasury Regulation Section 1.704-2 immediately prior to such sale.

"**Tax Audit Person**" shall have the meaning set forth in **Section 8.6(a)**.

"**TEFRA Rules**" shall have the meaning set forth in **Section 9.6(a)**.

"**Transfer**" shall mean, with respect to a specified Interest, including any rights to distributions, allocations or other economic rights attributable to an Interest, any transfer, sale, pledge, hypothecation, encumbrance or assignment of all or any portion of such Interest, whether voluntarily or by operation of law.

"**Unreturned Capital Amount**" shall mean, with respect to the HHC Member as of the applicable determination time, an amount equal to (1) the Landlord Contribution Amount, plus (2) the aggregate amount of any other Capital Contributions made to the Company by the HHC Member, minus, (3) the aggregate amount of distributions received by the HHC Member as of such time pursuant to **Section 5.1(b)(i)**.

"**Withheld Amount**" shall have the meaning set forth in **Section 5.4(b)**.

1.2 Terms Generally. The definitions in **Section 1.1** above shall apply equally to both the singular and plural forms of the terms defined herein. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. When appearing anywhere in this Agreement, the words "include," "includes," and "including" shall be deemed to be followed by the phrase "without limitation."

ARTICLE 2
ORGANIZATION

2.1 Formation of Company. The Members hereby agree that the Company was formed pursuant to the Act when the Certificate of Formation was filed in the office of the Secretary of State of Delaware. The name of the Company is Fulton Seafood Market, LLC, and the business of the Company may be conducted in such name or such other name or names as deemed advisable by the Members. The rights, duties and liabilities of the Members shall be as provided in the Act, except as otherwise provided in this Agreement. The initial registered agent of the Company and its address shall be The Corporation Trust Company, Corporation Trust Center, 1209 Orange Street, Wilmington, New Castle County, Delaware 19801 and the Company shall maintain a registered office at The Corporation Trust Company, Corporation Trust Center, 1209 Orange Street, Wilmington, New Castle County, Delaware 19801. The Managing Member

shall be entitled to change any registered office or registered agent of the Company at any time and from time to time.

2.2 Location of Principal Place of Business; Mailing Address. The principal place of business of the Company shall be New York, New York. The principal place of business of the Company shall at all times be located in New York, New York. The mailing address of the Company shall be such address as may be selected from time to time by the Managing Member in New York, New York.

2.3 Business and Purpose. The business and purpose of the Company shall be to (i) lease, finance, manage and operate the Market and (ii) conduct any lawful activities permitted under the Act in connection with the foregoing. The Company shall not engage in a business or purpose other than as expressly set forth in this **Section 2.3**.

2.4 Term. The term of the Company began on the date that the Certificate of Formation was filed with the Delaware Secretary of State and shall continue until terminated in accordance with the terms of this Agreement.

ARTICLE 3
MEMBERSHIP; RIGHTS AND OBLIGATIONS OF THE MEMBERS

3.1 Members. Effective as of the date hereof, the Members of the Company shall be as set forth on the signature pages to this Agreement.

3.2 Representations and Warranties. Each Member makes the following representations and warranties as of the date hereof, with respect to itself only (and not with respect to any other Member), to and for the benefit of the Company, the Managing Member and each other Member, as follows:

(a) Organization; Authority. If the Member is a corporation, then it is duly incorporated, validly existing and in good standing under the laws of its jurisdiction of incorporation and is authorized to do business in the State of New York. If the Member is a partnership, trust or limited liability company, then it is duly formed, validly existing and in good standing (to the extent applicable) under the laws of its jurisdiction of formation and is authorized to do business in the State of New York. The Member has the requisite authority to enter into and perform its obligations under this Agreement.

(b) Due Authorization; Binding Agreement. The execution, delivery and performance of this Agreement by the Member has been duly and validly authorized by all necessary action of the Member. This Agreement has been duly executed and delivered by the Member, or an authorized representative of the Member, and constitutes a legal, valid and binding obligation of the Member, enforceable against the Member in accordance with the terms hereof.

(c) Consents and Approvals. No consent, waiver, approval or authorization of, or filing, registration or qualification with, or notice to, any governmental unit or any other Person is required to be made, obtained or given by the Member in connection with the execution, delivery and performance of this Agreement.

(d) Private Offering. The Member is acquiring its Interest for its own account and not with a view to the resale or distribution thereof.

(e) Securities Law Matters. The Member either is an "accredited investor" as defined in Rule 501(a) of Regulation D promulgated under the Securities Act.

(f) Restriction on Resale. The Member understands and acknowledges that its Interest has not been registered for sale under any federal or state securities law and must be held indefinitely unless subsequently registered or an exemption from such registration is available.

(g) Due Diligence. The Member (i) has performed its own due diligence and business investigations with respect to the Company, (ii) is fully familiar with the nature of the investment in the Company, the speculative and financial risks thereby assumed, and the uncertainty with respect to the timing and amounts of distributions, if any, to be made by the Company, (iii) does not desire any further information which may be available with respect to these matters and (iv) has had a sufficient opportunity to review the matters that it believes to be important in deciding whether to acquire an Interest in the Company.

3.3 No Additional Members. Except as expressly provided herein, no Additional Members of the Company may be admitted without the prior written consent of both Members as provided in **Section 9.2**. Notwithstanding any provision of this Agreement to the contrary, under no circumstances shall any Additional Member be admitted to the Company as a Member unless and until (i) the relevant Additional Member shall have executed a counterpart signature page to this Agreement agreeing to be bound by the terms of this Agreement and any other agreements or instruments by which a Member is bound as a condition to or by virtue of the Member's ownership of an Interest, and (ii) the admission of such Additional Member has been Approved by the Members as provided in **Section 7.3(ii)**.

3.4 Resignation or Withdrawal of a Member. Except as set forth in **Article 10** or **Article 11**, no Member shall have the right to resign or withdraw from membership in the Company.

3.5 Disassociation of a Member. The occurrence of an Event of Bankruptcy with respect to a Member or Dissolution of a Member or the redemption by the Company of all of such Member's Interest in the Company in accordance with the terms of this Agreement shall cause such Member to become a Disassociated Member and shall terminate the membership of such Member in the Company. In the event any Member becomes a Disassociated Member, the Disassociated Member or its legal representative, successor or assign may request admission to the Company as a Substitute Member pursuant to **Section 9.2(c)**. If no request for Substitute Member status is made and granted pursuant to **Section 9.2(c)**, the Disassociated Member or its legal representative, successor or assign shall thereafter have only those rights of an Assignee under this Agreement.

3.6 No Participation in Control. The Members shall have the power to exercise any and all rights or powers granted to the Members pursuant to the express terms of this Agreement or by the Act. None of the Members, other than the Managing Member, shall have

any power to participate in the management of the Company, except as expressly authorized by this Agreement or the Certificate of Formation or expressly required by the Act. The approval or consent of the Members shall not be required in order to authorize the taking of any action by the Company, and the Members shall have no right to reject, overturn, override, veto or otherwise approve, consent or pass judgment upon any action taken by the Company or any authorized officer of the Company, in each case, unless and then only to the extent that (i) such approval or consent is expressly required by this Agreement, the Certificate of Formation or the Act or (ii) the Managing Member has determined that obtaining such approval or consent would be appropriate or desirable. No Member, other than Managing Member, acting solely in the capacity as a Member, is an agent of the Company, nor shall any Member, unless expressly authorized in writing to do so by the Managing Member, have any right, power or authority to bind or act on behalf of the Company in any way, to pledge its credit, to execute any instrument on its behalf or to render it liable for any purpose.

3.7 Interest in Property of the Company. Each Member's Interest in the Company shall for all purposes be personal property. No Member shall have any interest in specific Company property. All property of the Company, whether real or personal, tangible or intangible, shall be deemed to be owned by the Company as an entity, and no Member, individually, shall have any direct ownership in, or rights to, such property.

3.8 Information Rights. So long as a Member owns an Interest in the Company, the Company shall deliver to such Member the following information:

(i) Within thirty (30) calendar days after the end of each month during the Company's Fiscal Year, unaudited operating statements of the Company prepared by Managing Member for the Company in the ordinary course of business, consisting of (x) a statement of operating revenue; (y) operating expenses; and (z) capital expenditures, in each case, for such monthly period.

(ii) Within forty-five (45) calendar days after the end of each fiscal quarter during the Company's Fiscal Year,

(x) unaudited financial statements of the Company consisting of (1) a statement of income, cash flows and members' equity of the Company for such quarterly period and for the period from the beginning of the Fiscal Year to the end of such quarter and (2) a balance sheet of the Company as of the end of such quarterly period, prepared in accordance with GAAP (subject to the absence of footnote disclosures and to normal year-end adjustments).

(y) a schedule setting forth all distributions made by the Company during such quarterly period.

(iii) Within ninety (90) calendar days after the end of each Fiscal Year, audited financial statements of the Company consisting of (i) a statement of income, cash flows and members' equity of the Company for such Fiscal Year, and (ii) a balance sheet of the Company as of the end of such Fiscal Year, prepared in accordance with GAAP accompanied by an independent auditor's report issued by the Independent Accountant.

(iv) A copy of the Annual Operating Budget for each Fiscal Year, in each case, in accordance with the provisions set forth in **Section 7.5**.

3.9 Competing Business Pursuits.

(a) Participation. Each Member understands that the other Member and the Affiliates of the other Member may be interested, directly or indirectly, in various other businesses and undertakings not included in the Company. Each Member hereby acknowledges that, except as provided in Section 20.10 of the Management Agreement, the other Member, and its Affiliates, shall have the right to have such other interests and activities and to receive and enjoy the profits or compensation therefrom; that each Member waives any rights it might otherwise have to share or participate in such other interests or activities of the other Members or its Affiliates; that some of the other business interests, activities and investments of the other Member, or its Affiliates, may be in conflict or competition with the business of the Company; that each Member, and its Affiliates may engage in or possess an interest in any other business or venture of any kind, independently or with others; that each Member and its Affiliates, may engage in any such activities, whether or not competitive with the Company, without any obligation to offer any interest in such activities to the Company or the other Member; and that the pursuit of such activities, even if competitive with the business of the Company, shall not be deemed wrongful or improper; provided, however, that, notwithstanding the foregoing or anything else in this Agreement to the contrary, under no circumstances, shall the VS Member, or any of its Affiliates, own, operate, manage, invest or otherwise participate in, another Jean Georges seafood or similar market concept in New York City.

(b) Other Activities. Except as provided in Section 20.10 of the Management Agreement, each Member, and its Affiliates, may engage or invest in any other activity or venture or possess any interest therein independently or with others. No Member, Affiliate of such Member or any Person employed by, related to, or in any way affiliated with any such Person, shall have any duty or obligation to disclose or offer to, or obtain for the benefit of, the Company or the other Member any other activity or venture or interest therein. Except as provided in Section 20.10 of the Management Agreement, no Member, Affiliate of such Member, or creditor of or other Person shall have (i) any claim, right or cause of action against the other Member, or any of its Affiliates, or against any Person employed by, related to, or in any way affiliated with such other Member or by reason of any direct or indirect investment or other participation, whether active or passive, in any such activity, venture or interest therein, or (ii) any right to participate in any such activity, venture or interest therein or the income or profits derived therefrom.

3.10 Reimbursement of a Member's Out-of-Pocket Expenses. Subject to the provisions of this Agreement, each Member shall be reimbursed promptly by the Company for all reasonable out of pocket costs or expenses incurred by such Member on behalf of the Company or to attend meetings; provided, however, that a Member shall be reimbursed for such out-of-pocket costs or expenses only to the extent such costs or expenses were included in the Project Budget or an approved Annual Operating Budget.

3.11 Fees.

(a) Management Fee. The Company shall pay the Management Fee to the VS Member in accordance with the terms of the Management Agreement.

(b) Development Fee. The Company has paid a development fee (the **"Development Fee"**) of FIVE HUNDRED THOUSAND AND 00/100 DOLLARS ($500,000.00), in the aggregate, to the Development Manager, pursuant to the terms of the Development Agreement. The amount of the Development Fee shall be included in the Landlord Contribution Amount.

(c) No Other Fees. Except as provided in this **Section 3.12**, none of the Members (including the Managing Member) nor any of their respective Affiliates shall be entitled to any fees or other compensation for any services rendered to the Company or in respect of the development, construction or management of the Project.

ARTICLE 4
CONTRIBUTIONS TO CAPITAL; CAPITAL ACCOUNTS; GUARANTIES

4.1 Capital Contributions by the Members. The HHC Member shall contribute cash to the Company at such times and in such amounts as necessary in order to fund the operations of the Company. Under no circumstances shall the VS Member be required to make any Capital Contributions to the Company.

4.2 No Third Party Beneficiaries. The requirement of the Members to make Capital Contributions or Additional Capital Contributions in accordance with **Section 4.1** or any other provision of this Agreement shall not confer on any creditor or other third party that has dealings with the Company or any of its subsidiaries any right, claim, or other benefit, including the right to require that any Member make any additional cash contributions to the Company (including, without limitation, a Capital Contribution) or consummate, or cause the Company to consummate, any alternative source of funding, and no such creditor or other third party shall be a third-party beneficiary of any provision of this Agreement.

4.3 Capital Accounts. The Company shall maintain for each Member a separate Capital Account in accordance with this **Section 4.3**. These Capital Accounts shall be maintained in accordance with the following provisions:

(a) An individual Capital Account shall be established and maintained for each Member. Except as otherwise agreed to in writing by the assignor and assignee of the Interest of a Member in the Company and approved by the Managing Member, the Capital Account established for any holder who acquires an Interest in the Company by virtue of an assignment in accordance with the terms of this Agreement shall be in the same amount as, and shall replace, the Capital Account of the assignor of such Interest. Except as otherwise agreed to in writing by the assignor and assignee of an Interest in the Company and approved by the Managing Member, in the event the assignor of such Interest retains an Interest in the Company, the assignor's Capital Account balance shall be divided between the assignor and the assignee in accordance with their respective Percentage Interests of all of the Interests held by such Persons.

(b) The Capital Account of each Member shall be increased by the cash amount or the Agreed Fair Market Value or fair market value, as the case may be, of any

property contributed by such Member to the Company in accordance with the terms of this Agreement, such Member's allocable share of Net Profits and items in the nature of income or gain that are allocated to such Member pursuant to **Sections 6.1** through **6.3** and the amount of any Company liabilities assumed by such Member or that are secured by any property distributed to such Member.

(c) The Capital Account of each Member shall be decreased by the cash amount or the Agreed Fair Market Value or fair market value, as the case may be, of any property distributed to a Member in accordance with the terms of this Agreement, such Member's allocable share of Net Losses and items in the nature of deductions or losses that are allocated to such Member pursuant to **Sections 7.1** through **7.3**, and the amount of any liabilities of the Member assumed by the Company or for the satisfaction of which recourse may be made to only property contributed by such Member to the Company.

(d) The foregoing provisions and the other provisions of this Agreement relating to the maintenance of Capital Accounts are generally intended to comply with Regulations section 1.704-l(b) and shall be interpreted and applied in a manner consistent with those Regulations. If the Managing Member determines that it is prudent to modify the manner in which the Capital Accounts, or any increases or decreases to the Capital Accounts, are computed in order to comply with such Regulations, the Managing Member may authorize such modifications, provided that it is not likely to have a material effect on the amounts of Net Profits, Net Losses and taxable income, gain, deduction or credit allocable to the Members.

4.4 No Interest on Capital Contributions. No interest will be paid by the Company on the Capital Contributions made by any Member or on the balance of any Member's Capital Account.

4.5 No Withdrawal. No Member shall be entitled to withdraw any part of its Capital Contribution or its Capital Account or to receive any distribution from the Company, except as provided in **Articles 5** and **10**.

4.6 Limitation on Capital Contributions and Loans. Except as specifically provided in this **Article 4**, no Member may contribute capital to the Company or make a loan or advance to the Company, unless such contribution or loan has been Approved by the Members.

4.7 Legal Tender. All cash Capital Contributions to the Company must be made in United States dollars.

4.8 No Partition. Each holder of an Interest in the Company hereby waives any and all rights that it may have to maintain an action for partition of the Company's property.

4.9 Termination of Member Status. A Member shall cease to be a Member of the Company from and after such time as such Member first ceases to own any Interest in the Company.

4.10 Limitation on Obligations. Except as expressly provided in **Section 4.1**, no Member shall have any liability or obligation to the Company, any other Member or any other Person: (i) to make any Capital Contribution; (ii) to make any loan; (iii) to endorse or guarantee

the payment of any loan made to the Company; or (iv) to restore any negative balance in a Capital Account and any such negative Capital Account shall not be an asset of the Company.

ARTICLE 5
DISTRIBUTIONS

5.1 Distributions of Available Cash and Private Label Net Proceeds.

(a) Distributions of Available Cash (other than Available Cash Attributable to a Capital Event). The Company shall no less frequently than quarterly, unless otherwise Approved by the Members, make distributions to the Members of Available Cash (other than Available Cash resulting from and/or attributable to a Capital Event). Subject to **Section 5.3** and **Section 5.4**, all distributions of such Available Cash shall be made by the Company to the Members in the following order and priority:

(i) First, one hundred percent (100%) to the HHC Member, an amount equal to the Preferred Return Amount due and owing to the HHC Member as of the relevant distribution date, until the Preferred Return Amount due and owing to the HHC Member has been paid in full; and

(ii) Second, sixty-five percent (65%) to the HHC Member and thirty-five percent (35%) to the VS Member.

(b) Distributions of Available Cash Attributable to a Capital Event. The Company shall make distributions to the Members of any Available Cash attributable to a Capital Event (subject to **Section 5.3** and **Section 5.4**) to the Members in the following order and priority:

(i) First, one hundred percent (100%) to the HHC Member, until the HHC Member's Unreturned Capital Amount has been reduced to $0;

(ii) Second, one hundred percent (100%) to the HHC Member, an amount equal to the Preferred Return Amount due and owing to the HHC Member as of the relevant distribution date, until the Preferred Return Amount due and owing to the HHC Member has been paid in full; and

(iii) Finally, sixty-five percent (65%) to the HHC Member and thirty-five percent (35%) to the VS Member.

(c) Distributions of Certain Private Label Net Proceeds. Notwithstanding anything stated to the contrary herein, including, without limitation, the terms and provisions of Section 5.1 hereof, or Section 7.1 of the Management Agreement, Private Label Net Proceeds shall, not less frequently than monthly, be distributed in the following order and priority:

(i) First, one hundred (100%) percent to HHC Member, until HHC Member has received an amount equal to Two Hundred Fifty Thousand Dollars ($250,000), but only to the extent that such

Private Label Net Proceeds are attributable to sales of Private Label Products "outside of the Market"; and

(ii) Second, any remaining Private Label Net Proceeds shall be distributed one hundred (100%) percent to VS Member, but only to the extent that such Private Label Net Proceeds are attributable to sales of Private Label Products "outside of the Market".

For the purposes of this Agreement, the phrase "outside of the Market" shall mean any sales of Private Label Products to commercial vendors (including, without limitation, sales to any Affiliates of Manager) for the purposes of resale, and shall not include any Private Label Net Proceeds to the extent that such proceeds are attributable to sales of Private Label Products that are sold within or at the Market. The provisions set forth in Section 5.1(a) shall apply to distributions of Private Label Net Proceeds to the extent that such proceeds are attributable to sales of Private Label Products sold within or at the Market, which sales shall be included in "Gross Receipts", notwithstanding anything stated to the contrary in the Agreement or the Management Agreement."

5.2 In-Kind Distributions. In the event of a distribution of property, such property shall for all purposes of this Agreement be deemed to have been sold at its fair market value and the proceeds of such sale shall be deemed to have been distributed to the Members.

5.3 Limitations on Distributions. Notwithstanding any provision to the contrary contained in this Agreement, the Company shall not make a distribution to any Member with respect to its Interest if such distribution would violate the Act or other applicable law or the terms of the Construction Loan, any Permanent Loan or any other Indebtedness of the Company.

5.4 Withholdings.

(a) Notwithstanding any other provision of this Agreement, each Member authorizes the Company to withhold and to pay over, or otherwise pay, any withholding or other taxes payable by the Company (pursuant to the Code or any provision of U.S. federal, state, local or foreign tax law) with respect to Net Profits, items thereof, or distributions allocated or made to such Member or as a result of such Member's participation in the Company or such Member's acquisition or holding of its Interest in the Company and if, and to the extent that, the Company shall be required to withhold or pay any such withholding or other taxes, such Member shall be deemed for all purposes of this Agreement to have received a payment from the Company as of the time such withholding or other tax is required to be paid, which payment shall be deemed to be a distribution under **Section 5.1** (or **Section 10.4**) with respect to such Member's Interest in the Company. To the extent that such deemed distribution to such Member (or any successor to such Member) for any taxable period exceeds the distributions that such Member would have received for such period but for such withholding, such excess shall be treated as an interest-free advance to such Member. Amounts so treated as advanced to any Member shall be repaid by such Member to the Company within thirty (30) days after the Company delivers a written request to such Member for such repayment; provided, however, that if any such repayment is

not made, the Company may (without prejudice to any other rights of the Company) collect such unpaid amounts from any subsequent distributions that otherwise would be made to such Member.

(b) If the Company makes a distribution in-kind, and such distribution is subject to withholding or other taxes payable by the Company on behalf of any Member (the "**Withheld Amount**"), the Company shall notify such Member as to the extent (if any) of the Withheld Amount and such Member shall make a prompt payment to the Company of the Withheld Amount by wire transfer, which amount will not be treated as a Capital Contribution for any purpose hereunder (it being understood that, notwithstanding anything else herein to the contrary, the Company shall refrain from distributing such property to be distributed having a value of at least the Withheld Amount until the Company has received a payment of such Withheld Amount).

(c) Any withholdings referred to in this **Section 5.4** shall be made at the maximum applicable statutory rate under the applicable tax law unless the Company shall have received an opinion of counsel or other evidence, satisfactory to the Managing Member, to the effect that a lower rate is applicable, or that no withholding is applicable.

(d) If the Company receives a distribution from or in respect of which tax has been withheld, the Company shall be treated as having received cash in an amount equal to the amount of such withheld tax, and each Member shall be treated as having received as a distribution the portion of such amount that is attributable to such Member's Interest in the Company as equitably determined by the Managing Member and Approved by the Members.

ARTICLE 6
ALLOCATIONS

6.1 Allocations.

(a) Allocation of Net Profits. After giving effect to the allocation provisions set forth in **Section 6.2** and **Section 6.3**, Net Profits for each Fiscal Year (or other period, if applicable) shall be allocated to the Members so as to reduce, proportionately, the differences between their respective Target Accounts and Partially Adjusted Capital Accounts (as increased by such allocation) as of the end of such Fiscal Year or other period; provided, however, that no portion of the Net Profit for any Fiscal Year or other period shall be allocated to a Member whose Target Account is less than or equal to his Partially Adjusted Capital Account as of the end of such Fiscal Year or other period.

(b) Allocation of Net Losses. After giving effect to the allocation provisions set forth in **Section 6.2** and **Section 6.3**, the Net Losses for any Fiscal Year (or other period, if applicable) shall be allocated to the Members so as to reduce, proportionately, the differences between their respective Partially Adjusted Capital Accounts (as decreased by such allocation) and Target Accounts as of the end of such Fiscal Year or other period; provided, however, that no portion of the Net Loss for any Fiscal Year or other period shall be allocated to a Member whose Target Account is greater than or equal to its Partially Adjusted Capital Account as of the end of such Fiscal Year or other period.

6.2 Regulatory Allocations.

(a) Adjusted Capital Account Deficit. Notwithstanding any other provision of this Agreement, no item of deduction or Net Losses shall be allocated to a Member to the extent the allocation would cause such Member to have an Adjusted Capital Account Deficit. In the event that some, but not all, of the Members would have an Adjusted Capital Account Deficit as a consequence of such an allocation of Net Losses or deduction, the limitation set forth in this **Section 6.2(a)** shall be applied on a Member-by-Member basis so as to allocate the maximum permissible deduction or Net Losses to each Member under Section 1.704-l(b)(2)(ii)(d) of the Regulations.

(b) Minimum Gain Chargeback; Company Nonrecourse Liabilities. If there is a net decrease in Company Minimum Gain during any Fiscal Year or other relevant period, certain items of income and gain will be allocated (on a gross basis) to the Members who had a share of the net decrease in Company Minimum Gain determined in accordance with Treasury Regulations section 1.704-2(g) in accordance with the rules described in Treasury Regulations sections 1.704-2(f), (j)(2)(i) and (j)(2)(iii), subject to the exemptions set forth in Treasury Regulations section l.704-2(f)(2), (3), (4) and (5). This **Section 6.2(b)** is intended to comply with the "minimum gain chargeback" requirement set forth in Treasury Regulations section 1.704-2(f) relating to partnership nonrecourse liabilities (as defined in Treasury Regulations section 1.704-2(b)(3)) and will be so interpreted.

(c) Minimum Gain Chargeback; Member Nonrecourse Debt. If there is a net decrease in Member Minimum Gain during any Fiscal Year or other relevant period, certain items of income and gain will be allocated (on a gross basis) as quickly as possible to those Members who had a share of the Member Minimum Gain (determined pursuant to Treasury Regulations section 1.704-2(i)(5)) in accordance with the rules described in Regulations sections 1.704-2(i)(4), (j)(2)(ii) and (j)(2)(iii). This **Section 6.2(c)** is intended to comply with the "minimum gain chargeback" requirement set forth in Treasury Regulations section 1.704-2(i)(4) relating to "partner nonrecourse debt" (as defined in Treasury Regulations section 1.704-2(b)(4)) and will be so interpreted.

(d) Qualified Income Offset. If any Member has an Adjusted Capital Account Deficit, items of Company income and gain will be specially allocated (on a gross basis) to the Member in an amount and manner sufficient to eliminate, to the extent required by the Regulations, the Adjusted Capital Account Deficit of the Member as quickly as possible. This **Section 6.2(d)** is intended to comply with the "qualified income offset" requirement set forth in Treasury Regulations section 1.704-l(b)(2)(ii)(b) and will be so interpreted.

(e) Optional Basis Adjustments. To the extent an adjustment to the adjusted tax basis of any asset of the Company pursuant to Code sections 734(b) or 743(b) is required, pursuant to Treasury Regulations section 1.704-l(b)(2)(iv)(m), to be taken into account in determining Capital Accounts, the amount of the adjustment to the Capital Accounts will be treated as an item of gain (if the adjustment increases the basis of the asset) or losses (if the adjustment decreases such basis) and such gain or losses will be specially allocated to the Members in a manner consistent with the manner in which their Capital Accounts are required to be adjusted pursuant to Treasury Regulations section 1.704-l(b)(2)(iv)(m).

(f) Nonrecourse Deductions. Nonrecourse Deductions for any Fiscal Year will be specially allocated solely to the HHC Member.

(g) Member Nonrecourse Deductions. Member Nonrecourse Deductions will be allocated pursuant to Treasury Regulations sections 1.704-2(b)(4) and (i)(l) to the Member who bears the economic risk of losses with respect to the applicable deductions.

6.3 Curative Allocations. The allocations set forth in **Section 6.2** (the "**Regulatory Allocations**") are intended to comply with certain requirements of the Treasury Regulations. It is the intent of the Members that, to the extent possible, all Regulatory Allocations will be offset either with other Regulatory Allocations or with special allocations of other items of Company income, gain, losses, deduction or credit pursuant to this **Section 6.3**. Therefore, notwithstanding any other provision of this **Article 6** (other than with respect to the Regulatory Allocations), the Managing Member will make the offsetting special allocations of Company income, gain, losses, deduction or credit in whatever manner it determines appropriate so that, after the offsetting allocations are made, each Member's Capital Account balance is, to the extent possible, equal to the Capital Account balance the Member would have had if the Regulatory Allocations were not part of this Agreement and all items were allocated pursuant to **Section 6.1.**

6.4 Tax Allocations; Code Section 704(c).

(a) Each item of income, gain, loss and deduction recognized by the Company shall be allocated among the Members for U.S. federal, state and local income tax purposes in the same manner that each such item is allocated to the Members' Capital Accounts or as otherwise provided herein, provided that the Tax Matters Partner may adjust such allocations as may be necessary or desirable to maintain substantial economic effect, or to ensure that such allocations are in accordance with the interests of the "partners in the partnership", in each case within the meaning of the Code and the Regulations. All matters concerning allocations for U.S. federal, state and local and non-U.S. income tax purposes, including accounting procedures, not expressly provided for by the terms of this Agreement shall be determined in good faith by the Tax Matters Partner.

(b) In accordance with section 704(c) of the Code and the applicable Regulations promulgated thereunder, income, gain, loss and deduction with respect to any property contributed to the capital of the Company with a fair market value different from its adjusted tax basis at the time of contribution, or with respect to any property whose Gross Asset Value has been adjusted pursuant to paragraph (ii) of the definition thereof, shall, solely for income tax purposes, be allocated among the Members so as to take into account any variation between the Company's adjusted tax basis in the property and the fair market value of the property. Unless otherwise Approved by the Members, the "remedial method" under Section 1.704-3(d)(l) of the Regulations will be elected by the Company to handle any book-tax disparity under Section 704(c) of the Code with respect to any asset, and to the extent allowable under applicable Regulations, different methods may be used for different assets; provided, however, that with respect to the contribution of the Property to the Company by the HHC Member, the "traditional method" under Section 1.704-3(b)(l) of the Regulations will be elected by the Company to handle any book-tax disparity under Section 704(c) of the Code related to the Property.

(c) If any gain (as computed for U.S. federal income tax purposes) on the sale or other disposition of Company property constitutes recapture of depreciation under Sections 291, 1245 or 1250 of the Code or any similar provision, the gain will (to the extent possible) be divided among the Members in proportion to the depreciation deductions previously claimed by them (or their predecessors in interest) giving rise to the recapture; provided, however, that this sentence will not affect the amount of gain otherwise allocable to a Member.

6.5 Other Allocation Rules.

(a) Net Profits or Net Losses will be determined on a daily, monthly or other basis, as determined by the Managing Member using any permissible method under Code section 706 and the Treasury Regulations thereunder.

(b) For United States federal income tax purposes, each item of income, gain, loss, deduction and credit shall be allocated among the Members in accordance with the allocation provisions set forth in **Sections 6.1, 6.2, 6.3** and **6.4**.

(c) The Members are aware of the United States income tax consequences of the allocations made by this **Article 6** and agree to be bound by the provisions of this **Article 6** in reporting their shares of Net Profits, Net Losses and items thereof for income tax purposes.

(d) It is intended that the allocations in **Sections 6.1, 6.2, 6.3,** and **6.4** effect an allocation for federal income tax purposes consistent with Code section 704 and comply with any limitations or restrictions therein. The Managing Member may alter the allocations pursuant to this **Article 6** in any manner consistent with Code section 704 and amend the provisions of this Agreement as appropriate to comply with the Treasury Regulations promulgated under Code section 704, if, in the opinion of counsel, such an amendment is advisable to reflect allocations among the Members consistent with such Treasury Regulations, and such allocation will not have a material effect on the distributions which would otherwise be made pursuant to **Article 5** or **Article 10**.

ARTICLE 7
MANAGEMENT OF THE COMPANY

7.1 Control and Management by Managing Member.

(a) The Managing Member shall control, direct, manage and administer the business and affairs of the Company in accordance with and subject to the provisions of this Agreement. The HHC Member (and any successor permitted under this Agreement) shall serve as the Managing Member.

(b) A Member (except to the extent such Member is the Managing Member acting in its capacity as such) shall not in its capacity as such (and shall not have authority to), without the prior written approval of the Managing Member, bind or take any action on behalf of or in the name of the Company, or enter into any commitment or obligation binding upon the Company.

7.2 Powers and Duties of Managing Member. Subject to **Section 7.3** and **Section 7.4,** the Managing Member shall have the sole and exclusive right, authority and power, which it may exercise at the cost, expense and risk of the Company, to do all things necessary to carry on the business and purposes of the Company, No Person shall be required to inquire into said authority of the Managing Member to execute, deliver and perform any document on behalf of the Company.

7.3 Limitations on Power and Authority of the Managing Member. Notwithstanding any other provision of the Agreement, the Approval of the Members shall be required before the Company or the Managing Member may take any action that constitutes a "**Major Decision**" and any action taken by the Company or the Managing Member on behalf of the Company in contravention of this **Section 7.3** shall be void *ab initio* and of no effect. For purposes of the foregoing, the term "**Major Decisions**" means each of the following actions:

(i) dilute, change or alter in any way the Economic Interest or the rights, duties or obligations of any Member, except as expressly provided in this Agreement;

(ii) do any of the following: (A) file a voluntary petition in bankruptcy on behalf of the Company; (B) consent to the filing of any involuntary petition in bankruptcy against the Company; (C) file any petition seeking, or consenting to, the reorganization or relief of the Company under any applicable federal or state law relating to bankruptcy or insolvency; (D) consent to the appointment of a receiver, liquidator, assignee, trustee, sequestrator (or other similar official) of the Company or a substantial part of its property; (E) make a general assignment for the benefit of the Company's creditors; or (F) admit in writing the Company's inability to pay its debts generally as they become due;

(iii) cause the Company to make loans to any Member or any Affiliate of any Member;

(iv) except to the extent winding up of the Company is permitted or required under the terms of this Agreement or any nonwaivable provision of applicable law, dissolve and wind up of the Company;

(v) modify or amend the terms of, or waive or release any right of the Company under, (1) this Agreement, (2) the Lease or (3) the Management Agreement;

(vi) redeem all or any portion of a Member's Interest; or

(vii) except in the case of the Lease and the Management Agreement, cause the Company to enter into any transaction or agreement with any Member or any Affiliate of a Member.

7.4 Annual Operating Budgets.

(a) At least sixty (60) days prior to the scheduled opening of the Market, the Market Manager shall prepare and submit to the Members for the Approval of the Members an initial operating budget for the operation of the Company for the remainder of the Fiscal Year

following the opening of the Market. Upon Approval of the Members, such budget shall be the initial "**Annual Operating Budget**" for the Company for purposes of this Agreement. The Annual Operating Budget shall set forth the anticipated revenue, operating expenses (including taxes), capital expenditures and distributions for the ensuing Fiscal Year.

(b) Each Fiscal Year following adoption of the initial Annual Operating Budget pursuant to **Section 7.4(a)** above, the Market Manager shall prepare and submit to the Members not later than November 1st of each Fiscal Year a proposed operating and capital budget (each, an "**Annual Operating Budget**") for the ensuing Fiscal Year. The Members will either approve the proposed Annual Operating Budget or provide its comments and/or questions to the Managing Member, in writing, within fifteen (15) days following receipt thereof, with the goal of the Members being to finalize the applicable Annual Operating Budget for the ensuing Fiscal Year by December 1st of the preceding Fiscal Year. Upon Approval of the Members, each such budget will be **the** "**Annual Operating Budget**" for the ensuing Fiscal Year. If an Annual Operating Budget has not been Approved by the Members for a Fiscal Year by January 1 of that Fiscal Year, then the Annual Operating Budget for the prior Fiscal Year shall be the provisional Annual Operating Budget for the succeeding Fiscal Year (annualized, as necessary, for a partial Fiscal Year, with the following changes: (i) ad valorem taxes shall be increased or decreased for known or expected changes in tax rates or valuations; (ii) insurance premiums shall be increased or decreased for known or expected changes in premiums; (iii) labor components of the budget shall be increased for changes in wage rates; (iv) operating expenses and capital expenditures required to comply with applicable law shall be included in the budget; (v) capital expenditures pursuant to multi-year capital projects commenced prior to the budget year shall be included; and (vi) all other budget line items shall be increased for increases in the CPI since January 1st of the prior Fiscal Year.

7.5 Complete Control. Except as otherwise provided in this Agreement, the Managing Member shall have complete control in managing the affairs and business of the Company without the need for any authorization, consent or approval of the Members.

7.6 Officers. The Managing Member shall be authorized to designate one or more persons as officers of the Company. Any such officer so designated by the Managing Member shall perform such duties and exercise such authorities as may from time to time be designated by the Managing Member. Any such officer who is designated by the Managing Member shall serve until removed by the Managing Member. In no event shall any such officer be liable to the Company or to any Member for any loss, injury, cost, expense or damage arising as a result of any act taken or omitted to be taken by such officer in respect of the affairs of the Company, except to the extent such act or omission constitutes fraud, gross negligence or willful misconduct. The Company shall, to the fullest extent permitted by law, indemnify, defend and hold each such officer harmless from and against any loss, liability, expense, judgment, settlement cost, fees and related expenses (including reasonable attorneys' fees and expenses), costs or damages.

7.7 Agreements. The Members hereby (i) approve the form of the Lease and the form of the Management Agreement that are attached hereto as **Exhibit B** and **Exhibit C**, respectively, and (ii) agree that each of them will execute and enter into these agreements in substantially the same form as attached hereto as soon as the Landlord acquires a property

interest in the Premises. No amounts paid to any Member or to any Affiliate of a Member under the terms of either of these agreements shall be considered to be a distribution to a Member under the terms, or for the purposes, of this Agreement.

7.8 Member Representatives.

(a) Representatives. Each Member shall designate in writing from time to time one (1) representative (and one (1) alternate) to approve or disapprove proposed actions or decisions by or on behalf of the Company. Such representative, and in the event of the unavailability of the representative, his alternate, shall have obtained authority to provide, on behalf of such Member, any approval or disapproval under this Agreement with respect to any such proposed action or decision, and any approval or disapproval thereof given by such representative (or alternate) shall be binding upon such Member. The initial authorized representative and alternate of each Member is set forth on **Exhibit A**. Each Member may change its authorized representative or alternate at any time by written notice to the other Member, and **Exhibit A** shall be updated accordingly.

(b) Requests for Approval. To request that the Members consent to or approve any matter or take any other action respecting the business and affairs of the Company which is required for Approval of the Members pursuant to this Agreement, the Managing Member must so notify the other Members in writing. Such request shall be labeled "**REQUEST FOR ACTION**" and must include a narrative explanation of the consent or action which is being requested. If the Managing Member desires to schedule a special meeting of the Members, such notice must be received by the Members at least five (5) days prior to the proposed date for such special meeting. Conversely, if the Managing Member does not desire to schedule a special meeting of the Members, any Member may then request a special meeting by written notice to all Members, which also must be received at least five (5) days before the date proposed for such special meeting. Each Member shall use its good faith efforts to comply with a request by another Member that any such special meeting be held.

(c) Approval. If there is a need for any approval on a proposed action and the Managing Member does not schedule a special meeting therefor, the other Member shall use good faith efforts to respond within five (5) Business Days after the date of notification of the need for such consent or other action. If the other Member does not respond within said five (5) Business Day period, or if a special meeting has been properly scheduled with respect to such proposed decision or action but has not been held within five (5) days after the date scheduled therefor through no fault of the Managing Member, then Managing Member shall deliver another copy of the request to the other Member labeled "**FINAL REQUEST FOR ACTION**." If, within five (5) days thereafter, the other Member still fails to respond, then such matter or action requested shall be deemed to be approved by such other Member.

(d) Meetings of Members.

(i) General. The Members shall meet at such times proposed by the Managing Member. In addition, special meetings of Members may be called by any Member. Meetings of the Members shall be held at the principal office of the Company, or at such other place in New York City as may be designated by the Managing Member.

Both regular and special meetings may be held by means of a telephone conference or similar technology if all persons participating in the meeting can hear each other at the same time. Notice of any special meeting shall be given to all Members not less than five (5) days nor more than (20) twenty days prior to the date of such meeting. The notice shall state the purpose or purposes of the special meeting. Members may vote in person or by proxy at such meeting.

(ii) Actions Without a Meeting. Any action required or permitted to be taken at a meeting of Members may be taken without a meeting if a written consent setting forth the action so taken is signed by both Members. Such consent may be in one instrument or in several instruments and shall have the same force and effect as a vote of all the Members. Such consent shall be filed with the Managing Member. An action so taken shall be deemed to have been taken at a meeting held on the effective date so certified.

(iii) Proxy. Each Member may authorize any Person or Persons to act for it by proxy on all matters in which such Member is entitled to participate, including waiving notice of any meeting or voting or participating at a meeting. Every proxy must be signed by the Member or its attorney-in-fact. No proxy shall be valid after the expiration of eleven (11) months from the date thereof unless otherwise provided in the proxy. Unless otherwise stated in the proxy, every proxy shall be revocable at the pleasure of the Member executing it.

7.9 Other Matters Concerning the Managing Member.

(a) Reliance on Documents, The Managing Member may rely and shall be protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, consent, order, bond, debenture, or other paper or document in good faith and reasonably believed by it to be genuine and to have been signed or presented by the proper party or parties,

(b) Reliance on Consultants and Advisers. Managing Member may consult with legal counsel, accountants, appraisers, management consultants, investment bankers and other consultants and advisers selected by it (collectively, the "**Advisors**"), and any act taken or omitted to be taken in good faith reliance upon and in accordance with the opinion of such Advisors as to matters which the Managing Member reasonably believes to be within such Advisor's professional or expert competence shall be presumed to have been done or omitted in good faith.

(c) No Fiduciary Duties. The Managing Member shall not be a fiduciary of the Company or the Members and it shall not have any fiduciary duties or obligations with respect to the Company or the Members.

ARTICLE 8
BOOKS AND RECORDS; ANNUAL REPORTS; TAX MATTERS

8.1 Books of Account. At all times during the continuance of the Company, the Managing Member shall keep or cause to be kept true and complete books of account in which

shall be entered fully and accurately each transaction of the Company. Such books shall be kept on the basis of the Fiscal Year in accordance with the accrual method of accounting and shall reflect all Company transactions in accordance with GAAP.

8.2 Availability of Books of Account. All of the books of account referred to in **Section 9.1**, together with an executed copy of this Agreement and the Certificate of Formation, and any amendments thereto, shall at all times be maintained at the principal office of the Company, and upon reasonable notice to the Managing Member (which shall in no event exceed five (5) Business Days prior written notice to the Managing Member), shall be open to the inspection and examination of the Members or their representatives during normal business hours at the principal office of the Company.

8.3 Reports and Statements. For each Fiscal Year, the Managing Member shall send (or cause to be sent) to each Person who was a Member at any time during such Fiscal Year, the information described in **Section 3.8** (within the applicable time prescribed for providing such information). In addition, the Managing Member shall send (or cause to be sent) to a Member such other information concerning the Company as reasonably requested by such Member.

8.4 Accounting Expenses. All reasonable out-of-pocket expenses payable to Persons who are not Affiliates of the Managing Member in connection with the preparation of financial statements and federal and local tax and information returns required to implement the provisions of this Agreement or required by any governmental authority with jurisdiction over the Company shall be borne by the Company as an ordinary Operating Expenditure.

8.5 Cash Account. The Managing Member may hold the Company's deposits in one or more accounts of the Company in one or more financial institutions selected by the Managing Member. In no event shall funds of the Company be commingled with funds of any other Person.

8.6 Tax Audit Person.

(a) The HHC Member shall be, (i) for any fiscal year of the Company in which, and to the extent that, the provisions contained in Subchapter C of Chapter 63 of the Code, as amended prior to 2015 but as originally enacted in 1982 (the "**TEFRA Rules**"), apply to the Company, the "tax matters partner" of the Company for purposes of section 6231(a)(7) of the Code, or (ii) for any fiscal year of the Company in which, and to the extent that, the provisions of Subchapter C of Chapter 63 of the Internal Revenue Code of 1986, as amended by the "Bipartisan Budget Act of 2015" (the "**Post-TEFRA Rules**") apply to the Company, the "partnership representative," as such term is defined in section 6223(a) of Code (in either such capacity, the "**Tax Audit Person**").

(b) The HHC Member shall cause the Independent Accountant to prepare, at the Company's expense, and shall timely file, or cause the timely filing of, all tax returns (including all Schedule K-ls) and shall, on behalf of the Company, timely file, or cause the timely filing of, all other tax filings required by any governmental authority having jurisdiction to require such filing. The HHC Member shall submit the proposed returns to the VS Member

for its review and approval no later than twenty (20) days prior to the filing date of the returns. If the VS Member fails to respond within ten (10) Business Days of being furnished the proposed returns, the VS Member shall be deemed to have approved such returns. The Tax Audit Person shall cause the Independent Accountant to deliver all Schedule K-ls to the Members for each Fiscal Year within ninety (90) days after the end of each Fiscal Year; provided, however, that the Independent Accountant shall be required to give each Member a reasonable estimate of their allocable share of Net Profits or Net Losses, as the case may be, for each Fiscal Year as soon as reasonably practicable after the end of each Fiscal Year.

(c) If the VS Member disagrees with the treatment of any partnership item (within the meaning of section 6231(a)(3) of the Code and Regulations as in effect immediately before the enactment of the Bipartisan Budget Act of 2015) on a tax return of the Company, then the VS Member shall give written notice to Managing Member within ten (10) Business Days of being furnished the proposed returns. If, after good faith consultation, an agreement regarding the treatment of such item cannot be reached within ten (10) Business Days after the receipt of notice, the Company shall seek written advice from a mutually agreed upon independent tax counsel or the Independent Accountant. Such advice shall recommend the treatment which is consistent with the terms of this Agreement, the respective interests of the Members, and for which there exists a more likely than not chance of success if challenged. Such recommended treatment shall be the one reported on the return.

(d) Without the consent of all Members, no Member shall file an amended return of the Company or a request for an administrative adjustment under section 6227 of the Code, nor shall any Member (other than the Tax Audit Person, as provided herein) commence any administrative or judicial proceeding relating to a return of the Company. If, after good faith consultation, such approval is not provided, no Member shall file such return or request, or commence such proceeding unless a mutually agreed upon independent tax counsel or the Independent Accountant renders an opinion that the more likely than not standard described in (b) above is met for the proposed treatment of the tax items with respect to which such return, request or proceeding relates. Nothing herein shall be construed to prevent a Member from undertaking any administrative or judicial proceeding with respect to its own return.

(e) Each Member shall notify the other Members upon receipt of any notice regarding an audit or tax examination of the Company and upon any request for material information by United States federal, state, local, or other tax authorities.

(f) The HHC Member shall, within ten (10) days after the receipt thereof, forward to each Member a photocopy of any material correspondence relating to the Company received from the Internal Revenue Service or any other taxing authority. The HHC Member shall, within ten (10) days thereof, advise each Member in writing of the substance of any conversation affecting the Company held with any representative of the Internal Revenue Service or any other taxing authority.

(g) For any fiscal year of the Company in which and to the extent that the TEFRA Rules apply, the HHC Member shall have all the authority granted by the Code and Regulations to the "tax matters partner" of the Company, including the authority, but only after- first obtaining the Approval of the Members:

(i) to enter into a settlement agreement with the Internal Revenue Service which purports to bind Members other than the Tax Audit Person;

(ii) to file a petition as contemplated in section 6226(a) or section 6228 of the Code or to appeal any judicial decision with respect to such petition;

(iii) to intervene in any action as contemplated in section 6226(b)(6) of the Code;

(iv) to file any request contemplated in section 6227(c) of the Code; and

(v) to enter into an agreement extending the period of limitations for any tax year for federal, state, local or foreign income tax purposes.

(h) For any fiscal year of the Company in which and to the extent that the Post-TEFRA Rules apply, the HHC Member shall have all the authority granted by the Code and Regulations to the "partnership representative" of the Company, including the authority, but only after first obtaining the Approval of the Members:

(i) to enter into a settlement agreement with the Internal Revenue Service which purports to bind Members other than the Tax Audit Person with respect to the determination of Company items of income, gain, loss, or deduction at the Company level;

(ii)) to file a petition under section 6226(a) of the Code (as in effect immediately before the enactment of the Bipartisan Budget Act of 2015) for the readjustment of those Company items or to appeal any judicial decision with respect to such petition;

(iii) to file any request contemplated in section 6227(a) of the Code;

(iv) to make a timely election under section 6226(a)(1) of the Code (a **"Push-Out Election"**) with respect to any imputed underpayment for the any reviewed year or years; and

(v) to enter into an agreement extending the period of limitations for any tax year for federal, state, local or foreign income tax purposes.

(i) The HHC Member shall defend all tax audits and litigation with respect to the determination of Company items of income, gain, loss, or deduction at the expense of the Company. The HHC Member shall maintain the books, records, and tax returns of the Company in a manner consistent with the acts, elections and steps taken by the Company.

(j) If an audit of the Company's tax returns occurs, the HHC Member shall; at the expense of the Company, notify the Members thereof, participate in the audit and contest, and settle or otherwise compromise assertions of the auditing agent which may be adverse to the Company in accordance with this **Section 9.6**. The HHC Member may, if it determines that the

retention of accountants and/or other professionals would be in the best interests of the Company, retain such accountants and/or other professionals to assist in such audits. The Company shall indemnify and reimburse the HHC Member for all reasonable expenses, including legal and accounting fees, claims, liabilities, losses, and damages borne by the HHC Member which were incurred in connection with any administrative or judicial proceeding with respect to any audit of the Company's tax returns, except to the extent caused by the fraud, gross negligence or willful misconduct of the HHC Member or any of its Affiliates.

(k) If the HHC Member makes a Push-Out Election, the Company shall timely furnish to the IRS and each person that was a Member of the Company during the reviewed year to which such underpayment relates a statement (the "**Section 6226 Statement**") of such Member's share of any adjustment to income, gain, loss, deduction or credit for the reviewed year, as determined in the final partnership audit adjustment notice (the "**FPAA**"). To the extent the Members' respective shares of such adjustments are not determined in the FPAA, the Tax Audit Person shall determine such shares based on the allocations described in **Article 7** of this Agreement for the reviewed year, which determination shall be made in the reasonable discretion of the Tax Audit Person. Each Member receiving a Section 6226 Statement with respect to a reviewed year shall timely report and pay such Member's tax liability imposed by the Code for the Member's taxable year that includes the date on which the Section 6226 Statement was furnished to the Member, which tax liability shall include the "adjustment amounts" described in section 6226(b)(2) of the Code, including interest determined in the manner and at the underpayment rate specified in section 6226(c)(2) of the Code and any applicable penalties and additions to tax (which are determined at the Company level under sections 6221(a) and 6226(c)(1) of the Code but imposed on the Members). Each such Member shall timely provide to the Company such evidence as the Tax Audit Person shall reasonably require to establish the Member's compliance with the requirements of section 6226 of the Code.

(l) No election shall be made by the Company or any Member for the Company to be excluded from the application of any of the provisions of Subchapter K, Chapter 1 of Subtitle A of the Code or from any similar provisions of any state tax laws.

(m) The Tax Audit Person shall receive no compensation for its services. All third-party costs and expenses incurred by the Tax Audit Person in performing its duties as such (including legal and accounting fees) shall be borne by the Company. Nothing herein shall be construed to restrict the Company from engaging an accounting firm and a law firm to assist the Tax Audit Person in discharging its duties hereunder.

8.7 Tax Elections.

The Company shall make the following elections on the appropriate tax returns:

(a) upon written request by any Member, make an election under Section 754 of the Code and the Regulations promulgated thereunder to adjust the bases of the Company's properties under Sections 734 and 743 of the Code;

(b) elect to deduct the organizational expenses of the Company as permitted by Section 709(b) of the Code; and

(c) elect to deduct the start-up expenditures of the Company as permitted by Section 195(b) of the Code.

ARTICLE 9
SALE OR TRANSFER OF INTERESTS

9.1 General.

(a) Required Consents. Except as permitted in this Agreement, including the exceptions contained in **Section 9.1(b)**, no Member shall directly or indirectly Transfer or allow any Affiliate or other third party to Transfer, any part or all of its Interest or its share of capital, Net Profits, Net Losses, allocations or distributions hereunder without the prior Approval of the Members. Any attempted Transfer in violation of this **Article 9** shall be null and void and of no force or effect. The giving of consent in any one or more instances of Transfer shall not limit or waive the need for such consent in any other or subsequent instances.

(b) Indirect Transfers. In order to effectuate the purpose of this **Section 9.1**, each Member agrees that, except as expressly authorized in **Section 9.2**, no Transfer or other disposition of any stock, partnership interest, limited partnership interest, membership interest, ownership interest, equity interest, or other beneficial interest of any nature (collectively "**Equity Interest**") in any Member will be effected directly, or indirectly if the primary purpose of such indirect transfer is to avoid the application of this **Section 9.1**, unless Approved by the Members; provided, however, that a sale of all or substantially all of the assets of any Affiliate of a Member or any merger or consolidation or acquisition of control of any Affiliate of a Member, or any sale, transfer, disposition, distribution, spin-out, spin-off or other form of transaction similar in purpose by any Affiliate of a Member involving a significant equity interest or substantially all of the assets of any Affiliate of a Member, shall be permitted and will not be deemed to violate any of the provisions of this **Article 9**. Notwithstanding anything contained in this Agreement to the contrary, any transfer, disposition, redemption or other transaction involving any Transfer of the stock of The Howard Hughes Corporation, or the direct or indirect Transfer of the stock or equity interests of any Affiliate of The Howard Hughes Corporation, other than the HHC Member, shall be permitted and will not be deemed to violate any of the provisions of this **Article 9**. The exception contained in the foregoing sentence shall not be considered a limitation of, or restriction upon, any other exception to the application of **Article 9** contained in this **Section 9.1(b)**.

9.2 Permitted Transfers by the Members.

(a) Transfers to Affiliates. Notwithstanding the provisions of **Section 9.1** to the contrary, upon at least ten (10) days prior written notice to, but without the consent of the other Member (or Members), a Member may from time to time Transfer its Interest, in whole, but not in part, to an Affiliate, or from an Affiliate to the Member or another Affiliate of the Member.

(b) Assignment Binding on Company. No Transfer of the Interest of a Member permitted to be made under this Agreement shall be binding upon the Company unless and until a duplicate original of such assignment or instrument of transfer, duly executed and

acknowledged by the assignor or transferor, has been delivered to the Company, and such instrument evidences (i) the written agreement by the assignee to be bound as a Member by all of the terms and provisions of this Agreement and assumes the rights and obligations of the transferring Member, (ii) the assignee's representation that such assignment was made in accordance with all applicable laws and regulations, and (iii) the consent to the Transfer of the Interest required pursuant to **Section 9.1**, if any, was obtained. In addition, a Person to whom a Transfer may be made pursuant to this **Article 9** shall, as a condition precedent to its becoming a transferee, make the representations, warranties and covenants set forth in **Section 3.2** and any other representations, warranties or covenants as may be reasonably required by the Managing Member to evidence compliance with U.S. federal and state securities laws.

(c) Substituted Members.

(i) A Member who Transfers all its Interest pursuant to a Transfer permitted under this Agreement shall cease to be a Member of the Company except that, unless and until a Substituted Member is admitted in its stead, the assigning Member shall not cease to be a Member of the Company under the Act and shall retain the rights, powers and obligations of a Member hereunder (including the right to vote or to give any approval as a Member), provided that such assigning Member may, prior to the admission of a Substituted Member, Transfer its Economic Interest in the Company, to the extent otherwise permitted under this **Article 9**. Any Person who is a transferee of any of the Interest of a Member and who has satisfied the requirements of **Article 9** shall become a. "**Substituted Member**" only when the conditions set forth in this **Article 9** are satisfied and such assignee shall have paid all reasonable filing and other costs in connection with the substitution as a Member. Any Person who is a transferee of any of the Interest of a Member and who does not become a Substituted Member shall have and receive only the economic interests in its Interest and shall have no other rights or powers of a Member under this Agreement, including no right to vote or to give any approval as a Member.

(ii) Any Person who is a transferee of any of the Interest of a Member but who does not become a Substituted Member and desires to make a further Transfer of any such Interest, shall be subject to all the provisions of this **Article 9** to the same extent and in the same manner as any Member desiring to make a Transfer of its Interest.

(d) Acceptance of Prior Acts. Any Person who becomes a Member, by becoming a Member, accepts, ratifies and agrees to be bound by all actions duly taken pursuant to the terms and provisions of this Agreement by the Company prior to the date it became a Member and, without limiting the generality of the foregoing, specifically ratifies and approves all agreements and other instruments as may have been executed and delivered on behalf of the Company prior to said date and which are in force and effect on said date.

(e) Additional Limitations. Notwithstanding anything else contained herein to the contrary:

(i) no Transfer of the Interest of a Member in the Company shall be made, and any Member shall have the right in its reasonable discretion to prohibit and may refuse to accept any Transfer, unless (A) if required by such Member, the assignor in

such Transfer shall have delivered to the Company an opinion of counsel reasonably acceptable to the Company to the effect that registration is not required under the Securities Act in respect of such Transfer; (B) such Transfer does not violate any applicable federal or state securities, real estate syndication, or comparable laws; (C) such Transfer does not cause the Company to be a "publicly traded partnership" under the Code; and (D) such Transfer will not be subject to, or such Transfer, when aggregated with prior Transfers in accordance with applicable law will not result in the imposition of, any state, city or local transfer taxes, including any transfer gains taxes, unless the assignor pays such taxes;

(ii) no Transfer of the Interest of a Member in the Company, or of any direct or indirect interest in a Member, shall be made if such Transfer will cause a default under any Indebtedness of the Company (unless any required consents are obtained from the applicable lender);

(iii) no Transfer of any direct or indirect interest in a Member shall be made, and any Member shall have the right in its reasonable discretion to prohibit and may refuse to accept any Transfer, except Transfers that are permitted under **Section 9.1(b)** or **Section 9.2(a);** and

(iv) no Transfer of the Interest of a Member shall be made to any Person who is not a United States citizen or an Entity that was' not created under the laws of the United States or any political subdivision thereof, without the prior written consent of the other Member.

9.3 Restraining Order; Specific Performance.

(a) Restraining Order. If a Member shall at any time Transfer or attempt to Transfer its Interest or part thereof in violation of this Agreement, then the other Members shall, in addition to all rights and remedies at law and in equity, be entitled to a decree or order restraining and enjoining such Transfer and the offending Member shall not plead in defense thereto that there would be an adequate remedy at law; it being hereby expressly acknowledged and agreed that damages at law will likely be an inadequate remedy for a breach or threatened breach of the violation of the provisions concerning Transfer set forth in this Agreement.

(b) Specific Performance and other Remedies. The parties declare that it is impossible to measure in money the damages which will accrue to a Member by reason of the failure of the other Member to perform any of its obligations arising under **Sections 9.1** or **9.2**, beyond the applicable notice and cure periods set forth in **Section 9.1**. Accordingly, if the non- Breaching Member shall institute any action or proceeding to seek specific performance of the provisions of **Sections 10.1** or **10.2**, the Breaching Member and any other Person against whom such actions or proceedings may be brought hereby waives the claim or defense that such Person has an adequate remedy at law, and no Person shall in any action or proceeding put forward the claim or defense that such remedy at law exists. The foregoing shall in no way limit the rights and remedies available to the non-Breaching Member under **Section 10.1**.

ARTICLE 10
DEFAULT, WINDING UP AND TERMINATION

10.1 Events of Default. For purposes of this **Article 10,** the occurrence of any of the following events shall constitute an event of default ("**Event of Default**") hereunder on the part of the Member with respect to whom such event occurs ("**Breaching Member**"):

(a) the failure of a Member to make any Capital Contribution or Additional Capital Contribution on the applicable Due Date;

(b) the violation or breach by a Member of any of the restrictions or obligations set forth in **Article 9** of this Agreement, which violation or breach is not cured within ten (10) days after written notice of same is sent to such Member; and

(c) a breach by a Member of any representation or warranty having a material adverse effect on the Company which is not cured within thirty (30) days after receiving written notice thereof from another Member (or, if such breach is susceptible to cure but cannot be cured during such thirty (30) day period, failure to diligently and continuously pursue a cure at any time thereafter before such breach is cured, up to but not in excess of ninety (90) days after receiving written notice thereof from such other Member).

Notwithstanding the foregoing, in the case of any breach of this Agreement, including a breach that constitutes an Event of Default, the non-breaching party shall have the right to pursue any or all of its rights and remedies under this Agreement, at law or in equity.

10.2 Causes of Winding Up and Termination. Except as set forth in **Article 9** and this **Article 10**, no Member shall have the right to, and each Member hereby agrees not to, withdraw from the Company,.and not to dissolve, wind up, terminate or liquidate, or to petition a court for the dissolution, termination or liquidation of the Company, except as provided in this Agreement, and no Member at any time shall have the right to petition or to take any action to subject the Company's assets or any part thereof, including the Project, or any part thereof, to the authority of any court of bankruptcy, insolvency, receivership or similar proceeding. The Company shall be wound up and terminated only upon the earliest occurrence of any of the following dates or events:

(a) an Event of Default occurs as provided in **Section 10.1** and the Non- Breaching Member elects to wind up the Company as provided in **Section 10.3(d)** hereof;

(b) a winding up of the Company is approved by both of the Members;

(c) the sale or other final disposition of the Market (or substantially all of the Market's assets) by the Company and the collection of all amounts derived from such sale or sales (including all amounts payable to the Company under any promissory notes or other evidences of indebtedness);

(d) the termination of the Management Agreement for any reason; or

(e) the entry of a decree of judicial dissolution under the Act.

10.3 Liquidation. Upon winding up of the Company and in accordance with the Act, the Liquidator shall proceed with the winding up of the Company and shall distribute the liquidation proceeds and remaining assets of the Company in the following order of priority:

(a) To creditors of the Company (including, if applicable, Members who have made permitted loans to the Company Approved by the Members), if any, in satisfaction of liabilities of the Company (whether by payment or the making of reasonable provision for payment thereof) other than liabilities for which reasonable provision for payment has been made and other than liabilities to Members for distributions;

(b) To the setting up of any reserve which the Managing Member (or the Liquidator, where applicable) shall reasonably deem advisable to provide for any contingent or unforeseen liabilities or obligations of the Company; and

(c) The balance remaining, if any, to the Members in accordance with the provisions set forth in **Section 5.1(b)**. All distributions pursuant to this **Section 10.2** or **Section 10.2** shall be made in accordance with Regulations Section 1.704-l(b)(2)(ii)(b)(2), including the timing requirements thereof.

10.4 Distributions in Kind. In the event that at the time of liquidating distributions any portion of the Project is available for distribution to the Members pursuant to **Section 10.4(c)**, then the Members shall negotiate in good faith to determine an equitable partition of the Project owned by the Company and the valuation of each partitioned portion thereof. If after a period of ninety (90) days, the Members are unable to agree on a plan of partition and the valuation of the partitioned parcels of the Project, then it shall not be distributed in kind but rather shall be marketed and sold by the Liquidator and the net proceeds from such sale(s) distributed in accordance with this Agreement. If the Members are able to agree on a plan of partition, the Project shall be transferred and conveyed to the Members or their assignees pursuant to such plan. Immediately prior to any property distribution, the Capital Accounts shall be adjusted as if the Project was sold for the agreed Gross Asset Value thereof immediately before such distribution and the Net Profits, Net Losses and items thereof allocated in accordance with **Article 6**. Any Company property distributed in kind shall be subject to such liens, encumbrances and restrictions as affect such Company properties on the date of distribution as agreed to pursuant to the agreed plan of partition.

ARTICLE 11
MISCELLANEOUS PROVISIONS

11.1 Notices. Any notices, requests, demands or other communications herein required or permitted to be given shall be in writing and may be personally served or sent by facsimile, mail or overnight courier and shall be deemed to have been given to the Members as follows: if personally served, when served; if by facsimile, upon transmission thereof to the proper number with confirmation of transmission on the sender's machine; if mailed, on the third Business Day after deposit in first class mail with postage pre-paid and properly addressed; or if by overnight courier, when received. Any notice sent by facsimile after 5:00 p.m. New York, New York time on a Business Day shall be deemed received on the next Business Day. For purposes of notices, the addresses of the parties hereto shall be as follows:

If to HHC Member:

HHC Seafood Market Member, LLC
c/o The Howard Hughes Corporation
9950 Woodloch Forest Drive, Suite 1100
The Woodlands, Texas 77380
Attention: General Counsel
Facsimile: (214) 790-4481
Email:

If to the VS Member:

c/o Phil Suarez
101 W. 23rd Street, Box 350
New York, NY 10011

with a copy to:

Golenbock Eiseman Assor Bell & Peskoe LLP
711 Third Avenue
New York, NY 10017
Attention: Lawrence R. Haut, Esq.

Each party covenants and agrees that simultaneously with sending any notice pursuant to this **Section 11.1** it will use good faith efforts to send a copy of such notice to the addressee thereof by email, at the email address set forth above or such other email address as a party may designate in writing given to the other parties pursuant to this **Section 11.1**; provided that in no event shall any notice sent by email be effective as a notice under this Agreement, and the failure of any party to deliver any notice pursuant to email shall not affect the validity of any notice that is sent pursuant to this **Section 11.1**.

11.2 Execution and Counterparts. This Agreement may be executed in any number of counterparts with the same effect as if all parties hereunder had signed the same document, All counterparts shall be construed together and shall constitute one agreement.

11.3 Governing Law, Successors, Severability. This Agreement and the relative rights of the parties to this Agreement shall be governed by and construed in accordance with the laws of the State of Delaware without regard to the conflicts of law provisions thereof. This Agreement shall bind and inure to the benefit of the heirs, executors, legal representatives, successors and permitted assigns of the parties hereto. If any provision of this Agreement shall be held to be invalid, the remainder of this Agreement shall not be affected thereby.

11.4 Entire Agreement. This Agreement executed by the Members constitutes the final and entire agreement among the parties and supersedes any prior agreement or understandings among them, oral or written, all of which are hereby canceled and terminated. Except as expressly provided in this Agreement, the provisions of this Agreement may not be

explained, supplemented, or qualified through evidence of trade usage or prior course of dealings. The Members have not relied on any statement, representation, or warranty other than those expressly contained in this Agreement. There are no conditions precedent to this Agreement other than those expressly stated in this Agreement. This Agreement may be amended only with the agreement of both Members.

11.5 No Waiver. The failure of any Member to seek redress for violation, or to insist on strict performance, of any covenant or condition of this Agreement shall not prevent a subsequent act which would have constituted a violation from having the effect of an original violation.

11.6 Public Announcements. No public announcements regarding the subject matter of this Agreement shall be made by any Member without the prior, written consent of the other Member (except and to the extent any such disclosure may be required by law, provided in such case prior or contemporaneous notice of such disclosure shall be given to the other Member). Any press release and other public notice to be released by a Member hereto disclosing the consummation of the transactions contemplated hereby shall first be submitted to the other Member for review and comment, and the requesting - Member shall reasonably cooperate in addressing the concerns of the other Member with respect to the nature and content of such disclosure (except and to the extent any such disclosure may be required by law).

11.7 Construction of Agreement. This Agreement and any documents or instruments delivered pursuant hereto shall be construed without regard to the identity of the Person who drafted the various provisions of the same. Each and every provision of this Agreement and such other documents and instruments shall be construed as though the Members participated equally in the drafting of the same. Further, each Member has been represented by legal counsel in connection with the drafting and negotiation of this Agreement and the other agreements referred to herein. Consequently, the Members acknowledge and agree that any rule of construction that a document is to be construed against the drafting party shall not be applicable either to this Agreement or such other documents and instruments.

11.8 Statutory Provisions. Any statutory reference in this Agreement shall include a reference to any successor to such statute and/or revision thereof.

11.9 Waiver of Partition. Each party does hereby waive any right to partition or the right to take any other action which might otherwise be available to such party for the purpose of severing such party's interest in any property held by the Company from the interests of other- Members until the end of the term of both this Company and any successor entity formed pursuant to the terms hereof.

11.10 Time of the Essence. In determining the time any performance is due by a party under the terms of this Agreement, time is of the essence.

11.11 Consent to Jurisdiction. Each of the Members, the Managing Member and the Company hereby consents to the personal jurisdiction of the federal and state courts of the State of New York, located in New York County, New York, and agree that service of process may be made upon each Member, the Managing Member, or the Company, as applicable, by certified

mail, return-receipt requested, or in any other manner permitted by law. In connection with this Agreement, none of the Members, the Managing Member or the Company shall assert that any action brought in any court in New York County, New York, is an action that is being brought in an inconvenient forum, or otherwise make any objection to venue or jurisdiction.

11.12 Attorney's Fees and Court Costs. In the event that any Member, the Managing Member or the Company brings or commences litigation or other action or proceeding to enforce any of the terms of this Agreement, in addition to any other remedies or damages that may be available, the predominantly prevailing party in such action also shall be entitled to recover from the non-prevailing party (or parties), and shall be paid by the non-prevailing party (or parties), a reasonable sum in respect of any attorneys' fees (based upon hours actually worked at standard hourly rates) and court costs incurred by such predominantly prevailing party in connection with any such action or proceeding, in each case, as determined by the applicable court in such action or proceeding.

[Reminder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, this Agreement is executed effective as of date first above written.

HHC SEAFOOD MARKET MEMBER, LLC, a
Delaware limited liability company

By: /s/ Peter F. Riley

Name: Peter F. Riley

Title: Secretary

VS-FULTON SEAFOOD MARKET LLC,
a Delaware limited liability company

By: /s/ Jean-Georges Vongerichten

Name: Jean-Georges Vongerichten

Title: Authorized Signatory

Exhibit 10.9

MARKET HALL MANAGEMENT AGREEMENT

by and between

FULTON SEAFOOD MARKET, LLC

as Owner,

and

CREATIVE CULINARY MANAGEMENT COMPANY LLC

as Manager

Dated July 1, 2020

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MARKET HALL MANAGEMENT AGREEMENT

THIS MARKET HALL MANAGEMENT AGREEMENT ("**Agreement**") is made and entered into as of July 1, 2020 ("**Effective Date**"), by and between FULTON SEAFOOD MARKET, LLC, a Delaware limited liability company ("**Owner**"), and CREATIVE CULINARY MANAGEMENT COMPANY LLC, a New York limited liability company ("**Manager**").

RECITALS

A. Owner is the lessee pursuant to the terms and condition of a Lease dated January 8, 2018, for that certain building located at 95 Marginal Street, New York, New York 10038, commonly known as the "Tin Building" (the "**Tin Building**") which, when completed, will contain a first-class "Jean Georges concept" food hall and market place, featuring menus and atmospheres that will prepare and sell a variety of specialty foods and goods, fresh seafood, beverages and other products (the "**Market**"), and kitchen, storage areas and other back-of-house areas with the space consisting of approximately 53,000 square feet (but not more than 65,000 square feet) and located in the area shown in Exhibit A-1 of the Lease (collectively, the "**Premises**").

B. Based upon Manager's or its related or affiliated entities' successful experience in creating concepts, opening, and operating various food and beverage operations, Owner desires to retain Manager, as an independent contractor, to manage and operate the Market and its Food and Beverage Operations (as defined in Section 1 below).

C. Manager desires to manage and operate the Market and its Food and Beverage Operations for Owner, as an independent contractor, in accordance with, and subject to, the terms and conditions of this Agreement.

D. Owner and VS-Fulton Seafood Market, LLC ("**Prior Manager**"), previously entered into that certain Food Hall Management Agreement, dated as of January 8, 2018 (the "**Prior Management Agreement**"), and the Owner, Manager and Prior Manager wish to terminate the Prior Management Agreement in its entirety as of the date hereof and as a condition hereto and as required herein.

Now, therefore, in consideration of the mutual promises herein contained, Owner and Manager hereby agree as set forth below.

AGREEMENT

1. Defined Terms. The following terms when used in this Agreement, including the preamble and the Recital, shall, except where the context otherwise requires, have the following meanings (such meanings to be equally applicable to the singular and plural forms thereof):

"**Affiliate**" with respect to a specified person or entity, means any individual, partnership, corporation, limited liability company, trust, unincorporated organization, association or other

entity which, directly or indirectly, through one or more intermediaries, controls or is controlled by or is under common control with such person or entity.

"Affiliated Restaurant Group" is defined in Section 6.4(c)(1).

"**Agreement**" is defined in the preamble.

"**Allocated Overhead Amount**" is defined in Section 6.4(c)(2).

"**Annual Operating Budget**" is defined in Section 6.4(b)(2).

"**Annual Overhead Budget**" is defined in Section 6.4(c)(2).

"**Applicable Laws**" is defined in Section 5.1(v).

"**Available Cash**" shall mean, for each year during the Term of this Agreement, an amount equal to the difference between (i) the amount of cash or cash equivalents actually collected in respect of the Market Receipts for that year, minus (ii)(A) the amount of cash or cash equivalents actually paid or disbursed in respect of the Market Expenses for that year, as determined each year, in the aggregate, as of the last day of the applicable year and (B) the aggregate amount of deficits in Available Cash (prior negative amounts of Available Cash) from any prior year(s). Any amounts deposited into, or the balance on deposit in, the Operating Reserve Account, Aggregate Overhead Account shall not be considered to constitute "Available Cash" for purposes of this Agreement.

"**Casualty**" is defined in Section 16.

"**Confidential Information**" is defined in Section 19.1.

"**Effective Date**" is defined in the introductory paragraph of this Agreement.

"**Employees**" shall mean the Executive Staff and any other employees providing services (whether full-time or part-time) for the Food and Beverage Operations and Market, other than Overhead Employees.

"**ERISA**" is defined in Section 18.4.

"**Event of Default**" is defined in Section 12.1.

"**Executive Staff**" means a general manager for the Market, an executive chef for the Market and any corporate-level employees of the Manager allocated and assigned to perform services in connection with the Market as approved by Owner.

"**FF&E**" means furniture, fixtures and equipment.

"**Financial Statements**" shall collectively refer to a profit and loss statement for designated prior periods of time, balance sheet as of a designated date, pro forma profit and loss

statements for designated future periods of time, each Annual Overhead Budget and a monthly analysis of the applicable Annual Overhead Budget and the actual Overhead Costs incurred in respect of the applicable budgeted amounts for such costs.

"**Fiscal Quarter**" means each of the four 3-month periods comprising each Fiscal Year.

"**Fiscal Year**" means the 12-month period ending December 31 of each year; provided that the last Fiscal Year will be the period beginning on January 1 of the calendar year in which the final liquidation and termination of the Company is completed and ending on the date the final liquidation and termination is completed (to the extent any computation or other provision hereof provides for an action to be taken on a Fiscal Year basis, an appropriate proration or other adjustment shall be made in respect of the final Fiscal Year to reflect that the period is less than 365 days).

"**Fixed Management Fee**" is defined in Section 7.1.1.

"**Fixed Overhead Management Fee**" is defined in Section 7.1.1.

"**Food and Beverage Operations**" shall mean the complete operation of the Market including all food and beverage functions.

"**Force Majeure Event**" shall mean the inability to perform a duty or an obligation due to causes or occurrences which are outside of the control of the party whose duty or obligation is postponed and could not be avoided by the exercise of due care on the part of such party, such as acts of God, fires, labor disputes or strikes, building moratoria and unusual government delays, pandemics (including, without limitation, COVID-19), unavailability of materials by reason of shortages which generally affect the region in which the Project is located or which are national in scope, unusual delays in transportation, or unusually severe weather conditions causing cessation of work for periods of time materially longer than may be anticipated from the normal weather patterns in New York, New York; provided, however, that the term "**Force Majeure**" shall not include the postponement or delay in the performance of any duty or obligation that is attributable to the financial hardship or insufficiency of funds by a party.

"**HRDC**" is defined in Section 10.

"**Indemnified Parties**" is defined in Section 18.4.

"**Infringement**" is defined in Section 15.2(d).

"**Initial Annual Operating Budget**" is defined in Section 6.4(b)(1).

"**Initial Annual Overhead Budget**" is defined in Section 6.4(c)(1).

"**Initial Fiscal Year**" is defined in Section 6.4(b)(1).

"**Landlord**" shall mean South Street Seaport Limited Partnership, or any other person designated as the "landlord" under the terms of the Lease.

"**Landlord Contribution Amount**" shall have the meaning ascribed to such term in the Owner's LLC Agreement.

"**Landlord's Work**" is defined in Section 4.1.

"**Laws**" shall mean all statutes, ordinances, laws, rules, regulations, orders and determinations of or by any governmental authority having jurisdiction.

"**Lease**" means that certain Lease between Owner, as tenant, and South Street Seaport Limited Partnership, as landlord, dated as of January 8, 2018 with respect to the Premises.

"**Licenses**" is defined in Section 14.1.

"Liquor License" is the liquor license which shall be obtained by Manager with Owner's cooperation and pursuant to which Manager will operate the alcoholic beverage operations at the Market.

"**Manager**" is defined in the preamble.

"**Manager Indemnified Person**" is defined in Section 18.2.

"**Manager's Representative**" is defined in Section 11.2.

"**Management Fee**" is defined in Section 7.1.1.

"**Management Services**" is defined in Section 5.1.

"**Market**" means the food and beverage establishment operated from the Premises pursuant to this Agreement consisting of the Food and Beverage Operations and as otherwise provided for and described in this Agreement.

"**Market Expenses**" shall mean, for any period, all costs and expenses incurred to manage and operate the Market including, without limitation, the following:

(a) the cost of salaries and benefits for Employees;

(b) the Rent paid to Landlord;

(c) the Management Fee paid to Manager;

(d) operating expenditures incurred in connection with Management Services per Section 5.1;

(e) the cost of goods sold, including, but not limited to, the cost of food and beverages;

(f) the costs of advertising and promoting the Market;

(g) supplies;

(h) the cost of linen cleaning and servicing;

(i) equipment leases and rentals;

(j) the costs associated with decorations for the Market;

(k) professional fees and outside services including but not limited to, public relations firm, printing and postage, trash and waste removal, uniforms and janitorial expenses;

(l) the cost of repairs, alterations, improvements, or other expenditures so long as such expenditures are not required to be capitalized in accordance with generally accepted United States accounting principles consistently applied;

(m) expenses reimbursed to Manager pursuant to the provisions of this Agreement, including, without limitation the expenses reimbursed pursuant to Section 8 hereof, but excluding therefrom any Overhead Expenditures payable pursuant to Section 6.4;

(n) the cost of any computer, fax, copier and other typical office equipment and supplies required in connection with the Market;

(o) amounts representing the direct cost of meals provided to Employees of the Market or as complimentary benefits to any other persons;

(p) credit and debit card commissions, processing charges and related fees;

(q) FF&E and repairs, maintenance and replacements thereto;

(r) utilities costs;

(s) insurance for the Market;

(t) the cost of compliance with any license, permit or governmental program or regulation concerning the operation of the Market;

(u) any taxes on the operation of the Market, but excluding any tax liabilities of Owner or Manager;

(v) any Private Label Expenses; and

(w) any and all other direct costs associated with the operation of the Market.

Any rebates and discounts received on purchases for the Market shall be deducted from Market Expenses for calculation of Market Net Receipts and Available Cash, and for general accounting and financial reporting purposes in connection with the Market.

"**Market Expense Increase**" is defined in Section 6.4(b)(4).

"**Market Expense Reserve Account**" is defined in Section 6.4(b)(3).

"**Market Net Receipts**" shall mean Market Receipts reduced by Market Expenses.

"**Market Receipts**" shall mean, for the Market, for any applicable period, determined on an "accrual basis", the actual, gross receipts (including cash, credit card and debit card receipts) from food and beverage sales and merchandise sales at the Market, equipment or room rentals, "photo or location shoots", "buy-out" fees (i.e., where all or substantially all of the Market is bought out for a private event), event service fees not paid to Employees, and all sales, rentals, leases, licenses or other transfer of merchandise or services and other receipts of any kind whatsoever of (x) all business (wherever conducted) by Manager and any subtenant, assignee, licensee, concessionaire or contractor that is an affiliate of Manager and (y) the sale of products (wherever conducted) that are derived, developed or created in whole or in part, from any Work Product and sold by Manager, Name Owner, or any subtenant, assignee, licensee, concessionaire or contractor that is an affiliate of Manager or Name Owner, and (z) all business conducted in or from the Premises by any subtenants, assignees, licensees, concessionaires or contractors that are not affiliates of Manager (including, without limitation, e-mail or internet, mail, catalogue, closed circuit television, computer, other electronic or telephone orders received or filled at the Premises), any Private Label Proceeds, all deposits not refunded to purchasers, orders taken, although said orders may be filled elsewhere, gross receipts from vending machines, electronic games and similar devices, and the proceeds of any business interruption insurance; provided, however, "Market Receipts" and "Private Label Proceeds" shall not include the following:

(a) gratuities or service charges added to guests' bills or statements which shall be paid over to Employees unless otherwise mutually agreed to by the parties;

(b) taxes of whatever nature, including without limitation goods and services tax, value added or other like taxes collected directly from patrons or guests as part of or as an addition to the sales price of any goods or services;

(c) any proceeds or other economic benefit of any borrowings;

(d) any funds furnished by Owner or Landlord;

(e) insurance proceeds (other than insurance proceeds for, or related to business interruption);

(f) condemnation awards, litigation damages and settlement payments (except to the extent such awards, damages or payments are intended to reimburse the Market or the parties for lost Market Receipts and/or to the extent fees, costs or other expenses incurred in connection with any such litigation or settlement have been included in Market Expenses for any period);

(g) proceeds of collection of accounts receivable to the extent the amount of any account receivable was previously included in Market Receipts;

(h) sale of any FF&E;

(i) payments made under any warranty or guaranty except to the extent such payments are intended to reimburse the Market or the Parties for lost Market Receipts;

(j) credit card commissions;

(k) Market comps; or

(l) any other receipts, payments, revenue, income or economic benefits of any kind that are not standard in the ordinary course of operating food and beverage facilities, providing catering or hosting private events, operating a food market comparable to the Market, or the sale of products (wherever conducted) that are derived, developed or created in whole or in part, from any Work Product.

"**Minimum Reserve Amount**" is defined in Section 6.4(b)(3).

"**Mortgage**" or "**Mortgages**" shall mean any mortgage, deed of trust or other financing encumbering the Premises.

"**Name**" is defined in Section 15.1(a).

"**Notice of Default**" is defined in Section 12.2.

"**Opening Date**" means the date when the Market is formally opened to the public for the regular conduct of business, as determined by Owner and subject to Manager's inspection and approval (not to be unreasonably withheld, conditioned or delayed of the completion of construction and the outfitting of all FF&E therein.)

"**Operating Standards**" shall mean the standards of practice and quality of food and beverage for the operation and management of the Market, adopted by the Manager and approved by Owner.

"**Overhead Cost Increase**" is defined in Section 6.4(c)(4).

"**Overhead Costs**" is defined in Section 6.4(c)(1).

"**Overhead Employees**" shall mean any employees of Manager or any of its Affiliates, who do not work directly for the Market or any member of the Affiliated Restaurant Group, but who provide human resources, accounting, information technology, marketing and other "back office" functions required to manage and operate the Market.

"**Overhead Reserve Account**" is defined in Section 6.4(c)(3).

"**Owner**" is defined in the preamble.

"**Owner Indemnified Person**" is defined in Section 18.1.

"**Owner's LLC Agreement**" means the Amended and Restated Limited Liability Company Agreement of Owner, entered into as of January 8, 2018.

"**Owner's Distribution Amount**" is defined in Section 7.1(c).

"**Owner's Representative**" is defined in Section 11.1.

"**Owner's Work Product**" means any trade names, trademarks, service marks, brands, marks, logos, trade dress, copyrights, recipes, cooking techniques and materials or other works of authorship, inventions, discoveries, improvements, designs, data and/or intellectual property of, related to and/or derived from the TB Protected Name, in each case, in whole or part.

"**Pier 17 Building**" shall mean the building situated at Pier 17 in the South Street Seaport, City of New York.

"**POS Systems**" is defined in Section 5.1(iii)

"**Premises**" is defined in Recital A and is generally shown in Exhibit A-1 of the Lease.

"**Prior Manager**" is defined in Recital D.

"**Prior Management Agreement**" is defined in Recital D.

"**Private Label IP Transfer**" is defined in Section 15.1.

"**Private Label Expenses**" shall mean any and all costs or expenses incurred in connection with, or allocated to, the design, manufacture, transportation, storage, marketing or sale of any Private Label Products.

"Private Label Names" is defined in Section 15.3.

"Private Label Proceeds" shall mean, for any applicable period, determined on an "accrual basis", the actual, gross receipts (including cash, credit card and debit card receipts) derived from any and all sales or licensing of Private Label Products.

"Private Label Net Losses" shall mean, for each Fiscal Year (or other accounting period), the amount, if any, by which the Private Label Expenses for the applicable Fiscal Year

(or other accounting period) exceed the Private Label Proceeds for such Fiscal Year (or other accounting period).

"Private Label Net Proceeds" shall mean, for each Fiscal Year (or other accounting period), the amount, if any, by which the amount of Private Label Proceeds for the applicable Fiscal Year (or other accounting period) exceed the Private Label Expenses for such Fiscal Year (or other accounting period).

"Private Label Products" any products sold by the Market, Jean Georges Vongerichten, Manager or any of their respective employees, contractors, licensees, assignees or Affiliates (collectively, the "**JG Parties**") that contain a product label bearing the Private Label Protected Name, regardless if any of the JG Parties developed or created the products.

"Private Label Protected Names" is defined in Section 15.3.

"Private Label Work Product" is defined in Section 15.4.

"Proposed Annual Operating Budget*"* is defined in Section 6.4(b)(2).

"**Proposed Annual Overhead Budget**" is defined in Section 6.4(c)(2).

"**Protected Name**" is defined in Section 15.1(a).

"**Rent**" shall mean all amounts payable to Landlord by Owner under the terms of the Lease.

"**Signing Bonus**" is defined in Section 7.1.1.

"**SOC**" is defined in Section 5.1(iii).

"**SOC Account**" is defined in Section 5.1(iii).

"**South Street Seaport**" shall mean the Seaport District, City of New York, in which the Tin Building and Pier 17 Building is located.

"**TB Name Owner**" is defined in Section 15.3(a).

"**TB Protected Name**" is defined in Section 15.3(a).

"**Term**" means the term of this Agreement as set forth in Section 3.1.

"**Tin Building Name**" is defined in Section 15.3(a).

"**Tin Building**" is defined in Recital A.

"**WARN Act**" is defined in Section 18.4.

"**Work Product**" is defined in Section 15.2(e).

2. Engagement of Manager.

2.1 Engagement by Owner. Owner hereby engages Manager, as an independent contractor, to operate and manage the Market and Food and Beverage Operations commencing on the Effective Date, with the full responsibility, control and discretion in the operation, management, direction and supervision of the Food and Beverage Operations, subject to the provisions of this Agreement. The parties agree that nothing in this Agreement authorizes one party to make, and neither party shall have authority to make, any contract, agreement, warranty or representation on behalf of the other party, or to incur any debt or other obligation in the other party's name except as may be expressly permitted in this Agreement. Except for such acts expressly permitted in this Agreement, Owner shall in no event be liable for or otherwise responsible for any such action by Manager nor shall Owner be liable by reason of any act or omission of Manager with respect to any such action or from any claim or judgment arising therefrom against Manager or Owner.

2.2 Acceptance of Engagement. Manager accepts such engagement and agrees to operate and manage the Food and Beverage Operations in a commercially reasonable, prudent, and professional manner and in accordance with the terms and conditions set forth in this Agreement and the Operating Standards. Manager acknowledges and agrees that, as an independent contractor of Owner, Manager is not agent, employee, partner or joint venturer of Owner. Neither the Manager nor any member, manager, officer, employee, agent, or independent contractor of Manager shall be eligible for any employee benefits of Owner (or any Affiliate of Owner), including, but not limited to, pension benefits or group insurance. Manager shall have no authority to bind Owner or Landlord to any agreement or commitment, contractual or otherwise other than as expressly set forth herein.

2.3 Executive and Other Staff.

(a) Manager shall be fully responsible for selecting all Employees employed by, or on behalf of, the Market and for the hiring of all such Employees. Notwithstanding any provision of this Agreement to the contrary, Manager's decision to hire any Executive Staff shall be subject to Owner's prior written approval. All Employees and all Overhead Employees shall be employees of Manager or one of its Affiliates, and none of the Employees shall be considered to be, or treated as, employees of Owner or any Affiliate of Owner for any reason.

(b) Manager shall hire, supervise, promote and discharge all Employees and all Overhead Employees and shall supervise all such Employees and Overhead Employees. Manager shall be responsible for managing, scheduling, training, directing and otherwise supervising all Employees and all Overhead Employees. Decisions regarding responsibilities, reviews, assessments, continued employment and similar matters shall be made by Manager, in its sole and absolute discretion.

2.4 Type of Market. The parties agree that the concept, character and food and beverage offerings of the Market shall be that of a first-class "Jean Georges concept" food hall and market place, featuring menus and atmospheres that will prepare and sell a variety of specialty foods, beverages and goods, fresh seafood and other products.

3. Term.

3.1 Term of Agreement. Unless sooner terminated as permitted under the terms of this Agreement, this Agreement shall terminate on the earlier of (i) ten (10) years from the Effective Date of this Agreement, and (ii) the date that the Lease terminates.

4. Pre-Opening Construction Obligations and Tasks.

4.1 Construction of the Market. Landlord shall perform, at Landlord's sole cost and expense, the initial construction of the Tin Building in which the Premises will be located (collectively, the "**Landlord's Work**").

4.2 Notice from Owner. Owner shall provide notice to Manager of the anticipated delivery date for the Premises on or about sixty (60) days prior to the completion of Owner's Work in order for Manager to finalize and make plans for the Improvements to commence, but such delivery shall not determine the actual Opening Date using some formula used by the Owner for other portions of the Shopping Center.

4.3 Refurbishment. From time to time after the Premises opens for business to the public, either party may initiate a discussion with the other party about refurbishing or renovating the Market, but any such work must be agreed upon by both parties in their sole and absolute discretion and who will pay the costs related thereto.

5. Manager's Obligations and Duties.

5.1 Manager shall be solely responsible to provide, directly or through an Affiliate the services enumerated in the following clauses (i)-(v) below (collectively, hereinafter, the "**Management Services**"):

(i) Employees. Manager shall be the employer for all Employees and shall provide, directly or through an Affiliate, required human resources functions including, but not limited to, oversight and administration of hiring, scheduling, training, discipline, discharge, payroll (including withholding and remittance of taxes and other payments required by applicable laws), and employee benefits to the extent applicable. All Employees shall be supervised and directed by Manager. All labor and benefit costs for all Employees will be paid by Manager and treated as a Market Expense. Such labor and benefit costs shall be paid in accordance with a regularly occurring payroll cycle as adopted by Manager, which may be weekly for certain Employees. Manager shall not be required to assume any employment-related obligation, cost or liability in respect of any Market employee arising out of or related to any such individual's employment by the Owner anytime prior to the date hereof and Owner shall indemnify and hold Manager harmless therefrom.

(ii) Accounting. Manager shall be responsible for performing all of the accounting and record keeping functions related to the Market and the Food and Beverage Operations, in each case, as set forth in Section 6.

(iii) Information Technology. Manager shall handle, manage and provide (at Owner's expense and subject to Owner's prior written approval) all information technology equipment required to operate and manage the Food and Beverage Operations of the Market, including, without limitation, all Market point of sale systems ("**POS Systems**"), computer equipment, internet installations, peripheral equipment and applications software. Manager also shall be required to establish and maintain a separate, dedicated account for the Food and Beverage Operations of the Market, using Compeat software, or other comparable software that will provide commensurate functionality for accounting, back office and workforce intelligence solutions (the "**SOC Account**") for the purposes of performing the System and Organizational Control ("**SOC**") reporting required in order for the Market to satisfy its Sarbanes-Oxley Act compliance requirements. Manager shall provide Owner with monthly, quarterly and yearly sales reports and copies of any and all other operational reports. Manager also shall provide Owner with sales updates for the Market on a real time basis via reporting dashboards.

(iv) Marketing. Manager shall be responsible for all promotional and marketing materials and activities related to the Market, in such manner as Manager shall reasonably determine, including, without limitation, strategy, implementation, advertising and branding. Manager shall coordinate all of these activities with Owner to ensure and promote a marketing image consistent with Owner's businesses at the Tin Building, Pier 17 Building and the South Street Seaport.

(v) Business Operations. Manager shall be exclusively responsible for:

(1) managing and operating the Food and Beverage Operations of the Market in a commercially reasonable, prudent and professional manner and in accordance with the terms and conditions set forth in this Agreement and the Operating Standards, and in compliance with all applicable Federal, State and local laws, ordinances, rules and regulations ("**Applicable Laws**"), including, without limitation, the Applicable Laws of the New York State Department of Health and the New York City Department of Health;

(2) performing all necessary procurement services to source and obtain all goods and services required for the Food and Beverage Operations, on terms not materially less favorable to the Market than the prevailing terms for similar goods or services obtainable on a commercially reasonable basis from unrelated parties;

(3) creating all menus and food and beverage lists for the Market, and setting the dress code for the Market;

(4) ensuring brand and food integrity quality control; and

(5) meeting with Owner (not less than twice per month for the duration of the Term) to provide Owner with general status updates, operational oversight and feedback and such other matters or materials as reasonably requested by Owner.

5.2 Days and Hours of Operation. Manager shall be obligated to open the Market each day, Monday through Sunday, of each calendar year (i.e., 365 days a year), and during hours of operation as mutually agreed by Owner and Manager, subject to a Force Majeure Event.

5.3 Operating Standards. Manager shall operate the Market for the purpose of on-premises retail sale of food (which also include online order and delivery to the extent mutually agreed by the Parties hereto), non-alcoholic beverages and alcoholic beverages and other products. Subject to the Operating Standards, Manager shall also use good faith and commercially reasonable efforts to operate the Market in an economical, efficient and cost-effective manner so as to maximize Market Net Receipts.

5.4 Limitations on Manager's Authority. Manager shall not, at any time:

(a) knowingly permit any person or entity to use or occupy any portion of the Premises except for the Employees and patrons of the Market or, except as expressly permitted under any other provision of this Agreement or the Lease;

(b) knowingly operate the Market or any portion thereof in violation of any Law (unless such violation exists or continues due to Owner's failure to provide funds or otherwise consent to the correction of such violation), or in a manner inconsistent with the Operating Standards;

(c) mortgage, pledge, grant a security interest in or otherwise encumber or cause a lien to be placed upon all or any part of the Premises or the property located therein or used in connection therewith (other than standard equipment leases) without the prior written consent of Landlord and Owner;

(d) make any material alterations, changes or improvements, or otherwise perform any work, in, to or on the Tin Building or the Premises except as provided for in the Lease;

(e) incur any liabilities or obligations to third parties in connection with any of the Food and Beverage Operations which are unrelated to the operation, management, maintenance, promotion, or security of the Premises or to the performance of Manager's responsibilities under this Agreement;

(f) commence any litigation in the name, or on behalf of Owner or Landlord, without Owner's prior written consent, which may be withheld in Owner's sole discretion; or

(g) hire, retain or engage any employee on behalf of Owner or Landlord.

6. Accounting and Records.

6.1 Accounting. Manager shall record, pay and account for all Market Receipts, and Market Expenses and shall perform such accounting and bookkeeping services as Manager deems necessary for the operation of the Market. Manager shall be responsible for maintaining the books and records and for performing the accounting for the Market, including the payment

of all vendors and invoices, and maintaining all checking accounts or other bank accounts in the name of Manager; provided, however, that Manager shall cooperate with Owner and shall provide all information and documentation requested by Owner in connection with the payment obligations due and owing to Owner pursuant to this Agreement or to Landlord under the terms of the Lease.

6.2 Periodic Reports; Reconciliation; and Audit Rights.

(a) Financial Reports. Manager shall provide Owner with monthly Financial Statements not later than ten (10) calendar days after the end of each calendar month during the Term. The Financial Statements for the month following each calendar quarter shall also include a separate, stand-alone schedule setting forth the total Owner's Distribution Amount for the quarter along with a breakdown showing how such amount was calculated and determined. Manager shall provide Owner with audited annual Financial Statements for each calendar year by February 15th of the following calendar year and also after a termination of this Agreement, which, in each case, shall include a separate, stand-alone schedule setting forth the total Owner's Distribution Amount for the year along with a breakdown showing how such amount was calculated and determined. Except as provided in Section 6.2(c) below, the cost of any such audit shall be paid by Owner and shall not constitute a Market Expense.

(b) Annual Reconciliation. As set forth in Section 6.2(a), Manager shall cause audited Financial Statements to be prepared and delivered to Owner each year. Concurrent with the preparation of the audited Financial Statements for each calendar year, Manager also shall perform a review and reconciliation of the calendar year for which the Financial Statements apply and make any adjustments as may be necessary to correct, revise and update all amounts in connection with the operation of the Market so that the recording and treatment of all payments, revenues, expenses and other amounts conform to the provisions of this Agreement. Together with the issuance of the annual audited Financial Statements, Manager shall provide Owner with a separate report or statement summarizing all adjustments that were made as part of the review and reconciliation process. In the event that the reconciliation of the audited annual Financial Statements show any underpayment or overpayment to either party, such that any payments are due to or from either party, such payments shall be made (with any party who was overpaid obligated hereunder to pay such amounts to the other party) within thirty (30) days after the issuance of the audited annual Financial Statements by Manager but in no event later than April 30th of each year.

(c) Audits. Owner shall have the right to audit the annual Overhead Cost, the annual Financial Statements and the supporting books, records, work sheets and other documentation related thereto, at Owner's expense but subject to potential reimbursement as provided below, at reasonable times and upon reasonable notice to Manager, utilizing Ernst & Young, LLP (or otherwise, another accredited accounting firm selected by Owner and approved in advance by the Manager), provided that the auditor is not retained on a contingency basis. If the audit reveals any underpayment or overpayment of an amount due either party, the parties shall correct such underpayment or overpayment, as the case may be, by the applicable party making payment to the other party as necessary to correct the mistaken payment(s). The parties

shall reasonably coordinate to ensure timely and accurate exchanges of financial information related to the Market. If the amount of the discrepancy between what was reported or paid and what should have been reported or paid as discovered by the audit to Owner's detriment is five percent (5%) or more, then Manager shall reimburse Owner, at Manager's own expense and not as a Market Expense, for the cost of the audit within fifteen (15) days of Owner's demand, for the cost of the audit, provided, however, that Manager shall not be required to reimburse Owner for the cost of an audit to the extent that the cost of the applicable audit is greater than $25,000.00.

(d) Daily Sales Reports. Manager shall provide Owner with copies of the daily sales reports for each day.

6.3 Cooperation. Each party shall cooperate with, and provide reasonable access to its records for the Market operations during normal business hours to the other party and such party's accountants and auditors. Such audit right shall survive the expiration or termination of this Agreement.

6.4 Operating Reports, Annual Operating Budgets, and Annual Overhead Budgets.

(a) Operating Reports. Manager shall send Owner daily operating reports for the Market, including, without limitation, daily sales reports. Manager also shall send Owner copies of any weekly, monthly, quarterly or other operating reports that Owner may reasonably request.

(b) Operating Budgets.

(1) Prior to the Effective Date, Manager has submitted to Owner for its review and approval an initial proposed budget for the management and operation of the Market for the remainder of the Fiscal Year ending December 31, 2020 (the "**Initial Fiscal Year**"). Upon written approval by Owner, such budget shall become the "**Initial Annual Operating Budget**" for the Market. The Initial Annual Operating Budget shall set forth the anticipated revenue, operating expenses (including taxes), capital expenditures, other expenses, and distributions as Manager may reasonably estimate for the remainder of the Initial Fiscal Year.

(2) For each Fiscal Year after the Initial Fiscal Year, Manager shall prepare and submit to Owner not later than October 31st of the preceding Fiscal Year (beginning with October 31, 2020 for the 2021 Fiscal Year) a proposed operating and capital budget (each, a "**Proposed Annual Operating Budget**") for the next, upcoming Fiscal Year. Owner will either approve the Proposed Annual Operating Budget or provide its comments to Manager, in writing, within fifteen (15) days following receipt thereof. Upon written approval of Owner, each Proposed Annual Operating Budget shall become the "**Annual Operating Budget**" for the applicable Fiscal Year. If a Proposed Annual Operating Budget has not been approved by Owner for any Fiscal Year by January 1st of that Fiscal Year, then the Annual Operating Budget for the prior Fiscal Year shall be the provisional Annual Operating Budget for the succeeding Fiscal Year (annualized, as necessary, for a partial Fiscal Year), with the following changes: (i) ad valorem taxes shall be increased or decreased for known or expected changes in tax rates or

valuations; (ii) insurance premiums shall be increased or decreased for known or expected changes in premiums; (iii) labor components of the budget shall be increased for changes in wage rates; (iv) operating expenses and capital expenditures required to comply with applicable law shall be included in the budget; (v) capital expenditures pursuant to multi-year capital projects commenced prior to the budget year shall be included; and (vi) all other budget line items shall be increased for increases in the CPI since January 1st of the prior Fiscal Year. A provisional Annual Operating Budget shall be considered to be the Annual Operating Budget for the applicable Fiscal Year until such time as the Proposed Annual Operating Budget for such Fiscal Year has been approved by Owner in writing.

(3) After approval by Owner of an Annual Operating Budget, Owner shall deposit into a separate, non-comingled cash reserve account maintained by Manager (the "**Market Expense Reserve Account**") an amount equal to the highest amount of actual cash Market Expenses incurred by, or on behalf of, the Market during any month of the immediately preceding Fiscal Year (the "**Minimum Reserve Amount**"). Upon Manager's request (subject to written approval by Owner), Owner shall replenish the Market Expense Reserve Account to the extent necessary to maintain, at all times, an amount of funds in such account equal to the applicable Minimum Reserve Amount. Manager may use the funds in the Market Expense Reserve Account to pay Market Expenses only to the extent that the amount of Market Receipts is insufficient, at any time, to pay any Market Expenses that are due and payable, in full. Owner and Manager shall determine the initial amount of the Market Expense Reserve Account that Owner shall deposit prior to the Commencement Date.

(4) Manager shall not, without Owner's prior written approval, (i) incur any Market Expenses if such costs were not included in the applicable Annual Operating Budget, or (ii) cause the aggregate expenditures for any line-item in an applicable Annual Operating Budget to exceed the budgeted amount of such line item by the greater of (a) 10% of the amount of such line item or (b) $5,000 (each a "**Market Expense Increase**"), in each case, without the prior written consent of Owner. Manager shall notify Owner immediately, in writing, if a Market Expense Increase occurs and the amount of such Market Expense Increase. Amounts deposited into the Market Expense Reserve Account shall not be considered to constitute "Market Expenses" for purposes of this Agreement unless, and until, such amounts are actually used to pay Market Expenses.

(c) Overhead Budgets.

(1) Prior to the Effective Date, Manager has submitted to Owner for its review and approval an initial proposed overhead budget setting forth the corporate overhead costs and expenses (the "**Overhead Costs**") that Manager estimates that it and its Affiliates will incur in the Initial Fiscal Year as a result of Manager taking over the responsibility for managing all of the human resources, accounting, information technology, marketing and other "back office" functions required to manage and operate the Market and certain other affiliated restaurants owned by Owner (the Market and the other affiliated restaurants are referred to herein as the "**Affiliated Restaurant Group**") for the remainder of the Initial Fiscal Year. Upon written approval by Owner, such budget shall be the "**Initial Annual Overhead Budget**" for the

Affiliated Restaurant Group. The Initial Annual Overhead Budget shall specifically allocate to each member of the Affiliated Restaurant Group (including the Market) the amount of Overhead Costs that are attributable to each member of the Affiliated Restaurant Group to such member for the Initial Fiscal Year.

(2) For each Fiscal Year after the Initial Fiscal Year, Manager shall prepare and submit to Owner not later than October 31st of the preceding Fiscal Year (beginning with October 31, 2020 for the 2021 Fiscal Year) a proposed budget (each, a "**Proposed Annual Overhead Budget**") of the Overhead Costs for the Affiliated Restaurant Group for the next, upcoming Fiscal Year. Owner will either approve the applicable Proposed Annual Overhead Budget or provide its comments to Manager, in writing, within fifteen (15) days following receipt thereof. Upon written approval of Owner, each such budget will become the "**Annual Overhead Budget**" for the Affiliated Restaurant Group for the applicable Fiscal Year. If an Annual Overhead Budget has not been Approved by Owner for a Fiscal Year by January 1st of that Fiscal Year, then the Annual Overhead Budget for the prior Fiscal Year shall be the provisional Annual Overhead Budget for the succeeding Fiscal Year (annualized, as necessary, for a partial Fiscal Year) until such time as the Annual Overhead Budget for the applicable Fiscal Year has been approved by Owner in writing. The Initial Overhead Budget and each Annual Overhead Budget shall specifically allocate to each member of the Affiliated Restaurant Group the amount of Overhead Costs that are attributable to such member, (with respect to each member of the Affiliated Restaurant Group, that member's "**Allocated Overhead Amount**" for the applicable Fiscal Year).

(3) Upon approval by Owner of the Annual Overhead Budget for each Fiscal Year, Owner shall deposit into a separate, non-comingled cash reserve account maintained by Manager (the "**Overhead Reserve Account**"), on the 1st day of each Fiscal Quarter of the applicable Fiscal Year, an amount equal to one-quarter (1/4) of the Market's Allocated Overhead Amount for the applicable Fiscal Year. On the Effective Date, Owner shall pay to Manager $80,000 for the Allocated Overhead Amount for the Market for the remainder of the Initial Fiscal Year.

(4) Notwithstanding any provision of this Agreement to the contrary, Manager may use the funds in the Overhead Reserve Account only to pay Overhead Costs, and Manager shall not, without Owner's prior written approval, (i) incur any Overhead Costs if such costs were not included in the applicable Annual Overhead Budget, or (ii) cause the aggregate expenditures for any line-item in the applicable Annual Overhead Budget to exceed the budgeted amount for such line item by the greater of (a) 10% of the amount of such line item or (b) $5,000 (each a "**Overhead Cost Increase**"), in each case, without the prior written consent of Owner. Manager shall notify Owner immediately, in writing, if an Overhead Cost Increase occurs, the amount of such Overhead Cost Increase and the amount of any increase in the Allocated Overhead Amount for the Market resulting from such Overhead Cost Increase. All amounts deposited into the Overhead Reserve Account by the Market shall be treated as a prepaid "Management Fee" and a prepaid "Market Expense" at the time such amounts are deposited into the Overhead Reserve Account by Owner.

7. Payment of Occupancy Fee, Management Fee and Profit Share; Distribution of Private Label Net Proceeds.

7.1 Compensation. The Management Fee set forth in (a) below shall be paid to Manager as compensation to Manager for the services provided by Manager to Owner under this Agreement. In addition, all amounts deposited into the Overhead Reserve Account, or paid to Manager or any of its Affiliates by, or on behalf of, Owner in respect of any Overhead Costs, shall be treated as an additional Management Fee paid to Manager hereunder. All amounts payable under this Agreement shall be paid in accordance with the provisions set forth in Section 6.4(c)(4) and Section 7.1.1(b).

7.1.1 Management Fee. Owner shall pay Manager a one-time signing bonus equal to $62,500 (the "**Signing Bonus**") in connection with the Market, upon the Effective Date. Beginning on the Opening Date and continuing during the Term, Manager shall receive a management fee, including **(A)** a fixed sum equal to $150,000 per month (the "**Fixed Management Fee**") paid out of Market Receipts, and **(B)** beginning on the date hereof and continuing during the Term, a fixed, annual sum equal to $125,000 per year (the "**Fixed Overhead Management Fee**"; together with the Fixed Management Fee, collectively referred to herein as, the "**Management Fee**"), provided Manager agrees the Fixed Management Fee shall be assigned, and paid, to Prior Manager as consideration for the termination of the Prior Management Agreement. Manager may pay itself, or the Prior Manager, the Fixed Management Fee on the tenth (10th) day of each calendar month in an amount equal to the Management Fee for the immediately preceding month. Owner shall pay Manager on the date hereof and on the 1st day of each calendar month an amount equal to one-twelfth ($1/12^{th}$) of the Fixed Overhead Management Fee. In the event that there are not sufficient Market Receipts to pay the Fixed Management Fee in full for any calendar month, then such unpaid Fixed Management Fee or portion thereof shall accrue without interest and be paid pursuant to this Section 7.1.1 at such time as there are sufficient Market Receipts to pay the amount of the unpaid Fixed Management Fee.

(b) Priority of Payments. Manager shall make all payments in the following order and priority: (i) first, Manager shall pay any and all Market Expenses that are due and owing to unrelated third parties; (ii) second, on a *pari passu* basis, Manager shall pay (x) the Rent to Landlord (on behalf of Owner) and (y) the Fixed Management Fee to itself; and (iii) finally, Manager shall pay to Owner each month, an amount equal to the Market Net Receipts for such month (the "**Owner's Distribution Amount**").

7.1.2 Currency. All amounts provided for, used, specified or otherwise described in this Agreement are expressed in United States dollars and all payments required under this Agreement shall be made in United States dollars.

7.2 Distribution of Private Label Net Proceeds. Notwithstanding anything stated to the contrary herein, including, without limitation, the terms and provisions of Section 7.1, Manager shall distribute all Private Label Net Proceeds as provided in Section 5 of the Owner's LLC Agreement, as applicable.

8. Manager's Reimbursement.

8.1 With respect only to Market Receipts, if expressly approved in writing by Owner, or if otherwise expressly permitted pursuant to Section 5.1 or elsewhere in this Agreement, Manager may, after providing Owner with invoices and such other documentation as Owner may reasonably request, pay itself from Market Receipts for all actual and necessary out-of-pocket expenses, if any, which Manager incurred in accordance with this Agreement. Such reimbursement shall be made within ten (10) days after a statement has been submitted in an approved expense report format to Owner setting forth the nature of such expenses accompanied by corresponding invoices and receipts. All such reimbursed expenses shall be treated as Market Expenses.

8.2 With respect only to Private Label Proceeds, if expressly approved in writing by Owner, or if otherwise expressly permitted pursuant to this Agreement, Manager may, after providing Owner with invoices and such other documentation as Owner may reasonably request, pay itself from Private Label Proceeds for all actual and necessary out-of-pocket expenses, if any, which Manager incurred in accordance with this Agreement. Such reimbursement shall be made within ten (10) days after a statement has been submitted in an approved expense report format to Owner setting forth the nature of such expenses accompanied by corresponding invoices and receipts. All such reimbursed expenses shall be treated as Private Label Expenses.

9. Funding Obligations. Notwithstanding any other provision of this Agreement to the contrary,

(a) Owner is solely responsible for (i) all costs incurred in connection with renovating the Market, (ii) the cost of all furnishings, fixtures and equipment, (iii) providing any required working capital, and (iv) funding any operating deficits/shortfalls, including any deficits or shortfall caused by the payment of Management Fees.

(b) Manager's performance of all of its duties, responsibilities and services hereunder is expressly conditioned on either there being sufficient Market Receipts or Owner providing requisite funds on a timely basis should the Market fail to generate sufficient Market Receipts to pay its expenses, fund its capital expenditures, or provide adequate working capital. In no event shall Manager be required to personally fund any expense contemplated hereunder, whether a Market Expense or capital expenditure, provide any working capital or defer receipt of the Management Fee. Notwithstanding anything stated to the contrary contained herein, the terms and provisions of this subsection (b) shall not apply to or limit Manager's indemnification obligations and liability therefor under Section 18.1.

10. Insurance. Insurance policies and coverage as required under the terms of the Lease shall be obtained by Manager, as a Market Expense, (with Owner and Landlord each named as an additional insured in all such policies) and Manager shall maintain such policies at all times during the term of this Agreement. In addition, The Howard Research And Development Corporation ("**HRDC**"), a Maryland corporation and the sole member of Owner, may obtain, in its sole discretion and at its expense, "key man" insurance on Jean Georges in an amount up to the Landlord Contribution Amount. The cost of such "key man" insurance shall be a Market

Expense. Owner and Landlord shall be named as the primary beneficiaries under the "key man" insurance policy.

11. Authorized Representative.

11.1 Owner Representative. Owner hereby designates Saul A. Scherl as the individual who shall have the full power and authority to act on behalf of and bind Owner as of the Effective Date ("**Owner's Representative**"). Such written notice shall specify the scope of authority of such representative of Owner. Owner shall be bound by the decisions of its designated representative which are within the designated scope of authority of such representative and Manager shall have the right to rely on all such decisions. Owner may designate different individuals with authority to bind Owner by written notice to Manager.

11.2 Manager Representative. Manager, upon notice to Owner, from time to time, shall designate an individual who shall have the full power and authority to act on behalf of and bind Manager ("**Manager's Representative**"). Manager shall be bound by the decisions of its designated representative, and Owner shall have the right to rely on all such decisions. Manager may designate different individuals with the authority to bind Manager by written notice to Owner and Owner's approval.

12. Events of Default.

12.1 Subject to the termination rights set forth in Section 13 below, each of the following if uncured after a Notice of Default and the expiration of all notice, grace and cure periods set forth in this Agreement, if applicable, shall constitute an "**Event of Default**" under this Agreement:

(a) with respect to Manager, (i) Manager's fraud, deceit or misappropriation of any funds from any of the Food and Beverage Operations or of Owner; or (ii) an assignment or other transfer (directly or indirectly) of all or any portion of Manager's rights, or a delegation or other transfer of all or any portion of Manager's duties, under this Agreement, except as permitted by this Agreement;

(b) the failure of Owner or Manager to perform any of its obligations under this Agreement;

(c) breach by a party of any representation, warranty or covenant made by such party under this Agreement;

(d) with respect to Manager, any violation by Manager of the Laws governing the Liquor License which results in a loss of the Liquor License; or

(e) with respect to Owner, any violation by Owner of the Laws governing the Liquor License which results in the loss of the Liquor License;

(f) with respect to Manager, failure by Manager to pay Owner Owner's Distribution Amount or any other amount payable to Owner by Manager as required under this

Agreement, but only if there is sufficient Available Cash to pay the Owner's Distribution Amount or such other amount to Owner and Manager fails to pay any such amount to Owner;

(g) with respect to Owner, the failure by Owner to fund any contributions for Operating Expenditures for the Market as required pursuant to the terms hereof; or

(h) with respect to Owner, the failure by Owner to fund any contributions for Overhead Expenditures of the Market, as required pursuant to the terms hereof.

12.2 Each party shall give the other a written notice ("**Notice of Default**") stating with reasonable particularity any alleged breach of this Agreement by such other party which, if uncured, would constitute an Event of Default, and, with respect to any provision in Sections 12.1(a) through (h), above such other party shall have (30) days after the receipt of the Notice of Default within which to cure such breach, or if such breach cannot reasonably be fully cured in such thirty (30) day period, to commence the cure within such thirty (30) day period and thereafter diligently and promptly proceed to cure as soon as possible (but in all events within sixty (60) days). If such party does not cure the breach within such thirty (30) day period, then the non-breaching party shall have such rights and remedies as are available under this Agreement and applicable law and equity, including, without limitation, the right to terminate this Agreement without penalty pursuant to Section 13.

13. Termination of Agreement.

13.1 Termination by Owner. Owner may elect, at its option, to terminate this Agreement upon the occurrence of any of the foregoing Events of Default applicable to Manager and upon any of the following events (which such following events shall not be Events of Default under this Agreement and shall not give rise to any other rights or remedies of Owner other than the termination of this Agreement) and in the manner set forth below:

(a) Upon prior written notice, but otherwise without penalty or opportunity to cure, if:

(i) Manager files a voluntary or winding up petition in bankruptcy or is adjudicated bankrupt or insolvent, or files any petition or answer seeking any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief for itself under the present or any Laws, regulations or directives relating to insolvency or other relief for debtors, or shall seek or consent to or acquiesce in the appointment of any trustee, receiver, conservator or liquidator of such party or of all or a substantial part of its properties; or

(ii) the Liquor License is cancelled, suspended or revoked or is otherwise terminated because of an Event of Default by Manager.

(b) Upon written notice without penalty in the event that (i) Manager fails to cause the license to the Protected Name to be maintained for the Term of the Agreement or (ii) Owner otherwise no longer has the right to such license or to use the Protected Name as

contemplated in Section 15.1 or elsewhere in this Agreement and is not cured within thirty (30) days of written notice from Owner to Manager.

(c) Upon written notice without penalty in the event that for any full calendar year after the third (3rd) anniversary of the Opening Date, the aggregate amount of Market Receipts for such calendar year is less than FORTY-FIVE MILLION AND 00/100 DOLLARS ($45,000,000.00), in the aggregate; provided, however, that this Section 13.1(c) shall not apply if (i) the failure to achieve FORTY-FIVE MILLION AND 00/100 DOLLARS ($45,000,000.00) of Market Receipts is attributable to either a Casualty or Force Majeure Event, but only to the extent that such Casualty or Force Majeure Event actually causes the Market to close for business, in which event, and only for such event, the FORTY-FIVE MILLION AND 00/100 DOLLARS ($45,000,000.00) Market Receipts threshold shall be reduced on an equitable, pro-rated basis, factoring in the total number of days that the Market closed for business, as a direct result of a Casualty or Force Majeure Event, relative to the number of days for the then applicable calendar year, or (ii) the applicable failure to achieve the Market Receipts threshold has been cured timely in accordance with the terms of the Lease.

13.2 Termination by Manager. Manager may elect, at its option, to terminate this Agreement upon the occurrence of any of the foregoing Events of Default applicable to Owner and upon any of the following events (which such following events shall not be Events of Default under this Agreement and shall not give rise to any other rights or remedies of Manager other than the termination of this Agreement) and in the manner set forth below:

(a) Upon prior written notice, but otherwise without penalty or opportunity to cure, if:

(i) the Tin Building or Market suffers material damage due to any act of God, fire, natural disaster, accident, labor strife, act of government, shortages of materials or supplies, or any other cause beyond the reasonable control of the parties and ceases operations for a period of ninety (90) consecutive days; or

(ii) the Liquor License is terminated because of an Event of Default by Owner.

(b) Upon written notice without penalty in the event that an Event of Default by Owner has occurred under either Sections 12.1 (g) or 12.1 (h) and is not cured within fifteen (15) days of written notice from Manager to Owner.

13.3 Procedure For Termination. If either party elects to terminate this Agreement pursuant to their rights set forth in this Section 13, such party shall deliver written notice of such election to the other party, and this Agreement shall terminate on that date that is fifteen (15) days following the date of receipt of such notice by the other party. Upon such termination, neither party shall have any further obligations under this Agreement except for any provisions of this Agreement that expressly provide that they survive the expiration or termination of this Agreement, including, without limitation, the respective obligations of Owner and Manager pursuant to Section 14.2.

14. Actions to be Taken Upon Termination.

14.1 Licenses. Upon termination or expiration of this Agreement, all operating permits (except the Liquor License) held by Manager for the Market (collectively "**Licenses**") shall be assigned to Owner or its designee, provided, however, if any of the foregoing are not subject to immediate assignment, and provided the use of a License by a party other than the party to whom the License is issued is permitted under the Laws, Manager shall enter into a separate agreement with Owner permitting Owner to use such License at its sole cost, expense and risk, and Owner shall indemnify Manager for Owner's use of such Licenses until such time as the License is transferred to Owner or Owner obtains a new License, but in no event more than thirty (30) days. The foregoing provisions shall not apply to the Liquor License, which the parties acknowledge is not transferrable.

14.2 Accounting and Payments.

(a) Upon the expiration or any termination of this Agreement, Owner and Manager shall promptly account to each other with respect to all matters outstanding as of the effective date of the expiration or termination. All obligations of Manager and Owner under this Section 14.2(a) shall survive the expiration or earlier termination of this Agreement.

(b) Within thirty (30) days after the termination or expiration of this Agreement and provided that Manager has paid over to Owner all funds in all accounts and complied with its other obligations as provided in subsection (a) above, Owner shall pay to Manager the amount of any Management Fee that is due to Manager under Section 7.1.1. All obligations of Owner under this Section 14.2(b) shall survive the expiration or earlier termination of this Agreement.

14.3 Surrender of Premises. The Manager agrees that upon the effective date of the expiration or termination of this Agreement, Manager immediately will cease acting as the manager of the Food and Beverage Operations and vacate the Premises in an orderly fashion.

14.4 Employees. The Manager hereby agrees that (i) Owner may make offers of employment (in its sole and absolute discretion) to any employees of Manager who were working at the Market at or prior to the effective date of the expiration or termination of this Agreement and (ii) Manager will not prevent such employees from accepting the terms of such employment or otherwise prevent Owner from hiring these employees, notwithstanding any non-compete, non-solicitation or other similar agreements or arrangements that Manager may have with such employees.

14.5 Survival. This Section 14 shall survive the expiration or termination of this Agreement.

15. Intellectual Property.

15.1 Name of Market.

(a) The name of the Market shall be "Jean Georges Food Hall", or such other name determined by Owner, in its sole and absolute discretion (the "**Name**"). The parties agree and acknowledge that the Name, and all related intellectual property, including, without limitation, all trade names, trademarks, service marks, brands, marks, logos, trade dress, copyrights, recipes, cooking techniques and materials or other works of authorship, inventions, discoveries, improvements, designs, data and/or intellectual property of, related to and/or derived from the Name and/or "JG", "JGV" and/or "Jean Georges Vongerichten," in each case, in whole or part, and all Work Product (excluding all Private Label Products and Private Label Work Product), and all goodwill generated in connection with Owner's use of any of the above (collectively, the **"Protected Name"**), shall be owned by Manager or, in Manager's sole discretion, by an Affiliate of Manager (the "**Name Owner**").

(b) Manager hereby grants Owner the exclusive right, during the Term of this Agreement, to use the Protected Name, without charge, solely as the name of the Market and in connection with the promotion, advertising and operation of the Market, and also, in connection with the promotion, advertising, marketing and sales of Private Label Products, provided each and every new use shall be subject to Manager's prior review and approval. Owner shall not have the right to make any other use of the Protected Name, and may not brand any merchandise or materials with the Protected Name, other than (i) merchandise or materials sold at, or used in connection with the advertising, promotion or operation of the Market, and (ii) the advertising, marketing, promotion or sale of Private Label Products. If Manager is not the Name Owner, Manager shall obtain from the Name Owner all rights necessary for Manager to grant the rights in the Protected Name granted herein during the Term of this Agreement. The rights in the Protected Name, without charge, granted herein shall be revocable by Name Owner only in the event this Agreement expires or is terminated by either Manager or Owner.

(c) Upon termination or expiration of this Agreement, Owner shall cease using the Protected Name for any and all purposes and uses, including, without limitation, at the Market or any other location worldwide, and/or in all promotional and advertising materials, and Owner shall immediately change the name of the Market and remove all indicia of the Protected Name from the Market, unless otherwise agreed by the Parties pursuant to the terms and provisions of a post contract termination licensing agreement, signed by the Parties hereto. The parties acknowledge that Name Owner may not have an adequate remedy at law for any violations of the foregoing restrictions, and shall have the right to seek equitable and injunctive relief in the event of any use of the Protected Name that is in violation of terms of this Agreement without the necessity of posting bond.

15.2 Intellectual Property, Ownership and Protection.

(a) Owner specifically acknowledges that the rights granted to it pursuant to this Agreement shall not prevent or prohibit the Name Owner or any licensee of Name Owner from

commercializing or otherwise utilizing (and retaining all profits from) the Protected Name in any endeavor other than as specifically set forth herein.

(b) Nothing contained in this Agreement shall be construed to confer upon Owner or to vest in Owner any right of ownership to the Protected Name. At no time shall Owner directly or indirectly attempt to register or cause to be registered any rights in the Protected Name or in any names, marks, logos or other materials identical or substantially or confusingly similar to any of the materials comprising the Protected Name (including any intuitive variations thereof), anywhere in the world. It is understood and agreed that Owner shall not acquire and shall not claim any title to the Protected Name by virtue of the license granted to Owner, or through Owner's use of the Protected Name. Owner further agrees, to the fullest extent permitted by law, not to institute or participate in any proceedings which challenge the validity of: (i) the Protected Name or (ii) the Name Owner's ownership thereof.

(c) Owner shall use commercially reasonable efforts to assist Name Owner, at Name Owner's sole cost and expense and upon written request, to obtain any trademark registrations or other proprietary documents desired by Name Owner in connection with the Protected Name, without limitation, by executing any instruments, acknowledgments, assignments or similar documents Name Owner deems necessary or advisable to confirm or effectuate Name Owner's ownership of said subject matter.

(d) Owner shall use commercially reasonable efforts to promptly advise Name Owner of any infringement, unauthorized use or misuse of the Protected Name that Owner discovers ("**infringement**"). Upon the written request of Name Owner, Owner shall forward to the party responsible for any such infringement, a warning letter in a form submitted by Name Owner in respect of the infringement. Owner agrees to use commercially reasonable efforts to assist and cooperate with Name Owner, at Name Owner's sole cost and expense, in terminating infringing uses, including the furnishing of documentary evidence or evidentiary materials which Name Owner requires for the purpose of terminating such uses. In addition, Owner undertakes to use commercially reasonable efforts to assist and cooperate with Name Owner in the prosecution of any lawsuits, legal actions or other proceedings which, in the opinion of Name Owner, are necessary or advisable to protect the Protected Name; provided, however, that (x) the cost of all such lawsuits, legal actions or other proceeding shall be the sole responsibility of, and shall be paid by, Name Owner and (y) Name Owner and Manager shall indemnify, defend and hold Owner harmless with respect to the cost of, and from any damages or other amounts imposed on, resulting from or paid by, Owner in connection with any legal or other actions concerning the Protected Name. The right to protect the Protected Name, as well as the right to determine the manner of protection, shall at all times rest exclusively with Name Owner.

(e) To the extent Owner creates, develops, makes, works on or conceives, individually or jointly with others, during the Term of this Agreement, any trade names, trademarks, service marks, brands, marks, logos, trade dress, copyrights, recipes, cooking techniques and materials or other works of authorship, inventions, discoveries, improvements, designs, data and/or intellectual property of, related to and/or derived from the Name and/or "JG", "JGV" and/or "Jean Georges Vongerichten," in each case, in whole or part, but in each

case, excluding any Private Label Products and Private Label Work Product (collectively, "**Work Product**"), Owner agrees that it will disclose promptly and fully to the Name Owner all such Work Product and shall make and maintain adequate and current written records and evidence of all Work Product, including drawings, work papers, graphs, computer records and any other documents, which shall be considered the property of the Name Owner and upon creation, development and conception, shall be deemed included in the Protected Name and owned by the Name Owner and licensed to Owner, at no cost, pursuant to this Agreement. Owner shall obtain from any third party making a contribution to the creation of any such Work Product an acknowledgement in form and substance acceptable to Name Owner that such third party shall not own or retain any rights, title or interest in the Work Product being created and further providing that the third party thereby assigns all of its rights, title and interest in such work directly to the Name Owner or to Owner, so that the applicable vesting of rights in the Name Owner or assignment by Owner to the Name Owner shall grant full rights to the created Work Product to Name Owner.

(f) All Work Product shall be owned by the Name Owner and all copyrightable Work Product shall be deemed "works made for hire" of the Name Owner at the time of creation under the Copyright Act of the United States of America, 17 U.S.C. §101 et seq. Owner acknowledges that the Name Owner has specially ordered and/or commissioned such copyrightable Work Product as works made for hire, and further acknowledges that the Name Owner is the sole and exclusive author of the Work Product and the sole and exclusive owner for all purposes of the Work Product and any and all rights, title and interests therein, now known or hereafter created, throughout the universe and in perpetuity, and of all renewals and/or extensions thereof and the trademarks and all goodwill associated therewith. Except as provided herein and subject to the licenses set forth herein, the Name Owner shall have the sole and exclusive right to exploit and/or use the Work Product, in whole or part, in perpetuity, throughout the universe, in any and all media, whether now known or hereinafter devised, alone or combined together or as part of any other works of any kind or nature.

(g) If for any reason, any of the copyrightable Work Product does not vest in the Name Owner as a work made for hire, and with respect to all other Work Product, then for the consideration set forth in this Agreement, the sufficiency and receipt of which is hereby acknowledged by Owner, Owner hereby irrevocably and absolutely assigns, sets over and grants to the Name Owner, its successors and assigns, free from all restrictions and limitations, all rights, title and interests in and to such Work Product, whether now known or hereafter created, throughout the universe and in perpetuity, including, without limitation, all intellectual property contained in such Work Product (including but not limited to the trademarks and copyrights, and all renewals and extensions thereof, the goodwill associated therewith and the right to prepare all derivative works and make modifications to the Work Product); the right to make any and all additional contracts, agreements and arrangements with respect to the Work Product; and the right to make any and all decisions affecting the Work Product; and Owner further agrees to take all actions reasonably requested by the Name Owner to evidence such assignment and transfer.

(h) Owner hereby abandons, forfeits, waives and relinquishes all rights generally known as "moral rights," rights of attribution and/or rights of integrity that Owner might

otherwise have had with respect to the Work Product to the fullest extent permitted by law. To the extent Owner retains any such rights under applicable law, Owner hereby ratifies and consents to any action that may be taken with respect to such moral rights by, or authorized by, the Name Owner and Owner agrees not to assert any moral rights with respect thereto. Except as provided herein, Owner understands and agrees that no royalty or other payment is or will be due or payable to Owner or any other person or entity as a result of any of the efforts of Name Owner to commercialize or use any of the Work Product. Owner represents and warrants that it has not knowingly incorporated, and covenants that it shall not knowingly incorporate, any invention, original work of authorship, development, concept, improvement, or trade secret of, or owned in whole or in part by, any third-party, into any of the Work Product without Name Owner's prior written permission from the Name Owner.

(i) Sections 15.1 and 15.2 shall survive the termination of this Agreement. The Name Owner is an express third-party beneficiary of Sections 15.1 and 15.2. No amendment or modification of Sections 15.1 and 15.2 shall be effective unless approved in writing by Name Owner. Owner hereby agrees that it shall not use, nor grant any sublicense (or otherwise give) to any other person any right to use, the Protected Name in connection with any business or enterprise, including, without limitation, any business other than the Market.

15.3 Private Label Products.

(a) The names of all Private Label Products shall be "[_____]", or such other name determined by Owner, in consultation with Manager (collectively, the "**Private Label Names**"). The parties agree and acknowledge that all Private Label Names, and all related intellectual property, including, without limitation, all trade names, trademarks, service marks, brands, marks, logos, trade dress, copyrights, recipes, cooking techniques and materials or other works of authorship, inventions, discoveries, improvements, designs, data and/or intellectual property of, related to and/or derived from the Private Label Names regardless of whether any such Private Label Names that contain or use the names, "Jean Georges", "Jean Georges Vongerichten, "JG" or "JGV", or any biographical data or photograph of Jean Georges Vongerichten and all goodwill generated in connection with any of the above (collectively, the **"Private Label Protected Names"**), shall be owned by Owner or, in Owner's sole discretion, by an Affiliate of Owner (the "**Private Label Name Owner**").

(b) Owner hereby grants Manager the right, during the Term of this Agreement, to use the Private Label Protected Names, without charge, solely as the name of the Private Label Products and in connection with the promotion, advertising, marketing and sales of the Private Label Products, provided each and every new use shall be subject to Owner's prior review and approval. Manager shall not have the right to make any other use of the Private Label Protected Names, and may not brand any merchandise or materials with the Private Label Protected Names, other than in connection with, the promotion, advertising, marketing or sales (wherever made) of the Private Label Products. If Owner is not the Private Label Name Owner, Owner shall obtain from the Private Label Name Owner all rights necessary for Owner to grant the rights in the Private Label Protected Names granted herein during the Term of this Agreement. The rights in the Private Label Protected Names, without charge, granted herein

shall be revocable by Private Label Name Owner only in the event this Agreement expires or is terminated by either Manager or Owner. The parties acknowledge and agree that the Private Label Name Owner may not have an adequate remedy at law for any violations of the foregoing restrictions, and shall have the right to seek equitable and injunctive relief in the event of any use of the Private Label Protected Names that is in violation of terms of this Agreement without the necessity of posting bond.

(c) Upon expiration or termination for any reason other than an Event of Default by Manager under this Agreement or the Owner's LLC Agreement, upon notice from Manager, Owner shall transfer all of its right, title and interest in the Private Label Products and Private Label Work Product to Manager or to its Affiliates ("**Private Label IP Transfer**"), upon Manager's payment to Owner of the full amount of all Private Label Net Losses not recouped by Owner as of the date of the Private Label IP Transfer; provided, however, that, if this Agreement is terminated because of an Event of Default by Manager hereunder or under the Owner LLC Agreement, then **(A)** Owner shall remain the owner of the Private Label Products and Private Label Work Product, and Owner shall have no obligation (and Manager shall have no right to cause Owner) to effectuate the Private Label IP Transfer for any reason whatsoever, **(B)** Manager shall cease using the Private Label Protected Names and all Private Label Work Product for any and all purposes and uses, at any location worldwide, and **(C)** Owner shall discontinue use of and remove all indicia of the Protected Name and Jean Georges' image or likeness, from any Private Label Products, unless otherwise agreed by the Parties in writing, pursuant to the terms and provisions of a post contract termination licensing agreement, signed by the Parties hereto.

15.4 Private Label Products Intellectual Property, Ownership and Protection.

(a) Manager specifically acknowledges that the rights granted to it pursuant to this Agreement shall not prevent or prohibit the Private Label Name Owner or any licensee of Private Label Name Owner from commercializing or otherwise utilizing (and retaining all profits from) the Private Label Protected Names in any endeavor other than as specifically set forth herein.

(b) Nothing contained in this Agreement shall be construed to confer upon Manager or to vest in Manager any right of ownership to the Private Label Protected Names. At no time shall Manager directly or indirectly attempt to register or cause to be registered any rights in the Private Label Protected Names or in any names, marks, logos or other materials identical or substantially or confusingly similar to any of the materials comprising the Private Label Protected Names (including any intuitive variations thereof), anywhere in the world. It is understood and agreed that Manager shall not acquire and shall not claim any title to the Private Label Protected Names by virtue of the license granted to Manager, or through Manager's use of the Private Label Protected Names. Manager further agrees, to the fullest extent permitted by law, not to institute or participate in any proceedings which challenge the validity of: (i) the Private Label Protected Names or (ii) the Private Label Name Owner's ownership thereof.

(c) Manager shall use commercially reasonable efforts to assist Private Label Name Owner, at Private Label Name Owner's sole cost and expense and upon written request, to obtain any trademark registrations or other proprietary documents desired by Private Label Name

Owner in connection with the Private Label Protected Names, without limitation, by executing any instruments, acknowledgments, assignments or similar documents Private Label Name Owner deems necessary or advisable to confirm or effectuate Private Label Name Owner's ownership of said subject matter.

(d) Manager shall use commercially reasonable efforts to promptly advise Private Label Name Owner of any infringement, unauthorized use or misuse of the Private Label Protected Names that Manager discovers ("**infringement**"). Upon the written request of Private Label Name Owner, Manager shall forward to the party responsible for any such infringement, a warning letter in a form submitted by Private Label Name Owner in respect of the infringement. Manager agrees to use commercially reasonable efforts to assist and cooperate with Private Label Name Owner, at Private Label Name Owner's sole cost and expense, in terminating infringing uses, including the furnishing of documentary evidence or evidentiary materials which Private Label Name Owner requires for the purpose of terminating such uses. In addition, Manager undertakes to use commercially reasonable efforts to assist and cooperate with Private Label Name Owner in the prosecution of any lawsuits, legal actions or other proceedings which, in the opinion of Private Label Name Owner, are necessary or advisable to protect the Private Label Protected Names; provided, however, that (x) the cost of all such lawsuits, legal actions or other proceeding shall be the sole responsibility of, and shall be paid by, Private Label Name Owner and (y) Private Label Name Owner and Owner shall indemnify, defend and hold Manager harmless with respect to the cost of, and from any damages or other amounts imposed on, resulting from or paid by, Manager in connection with any legal or other actions concerning the Private Label Protected Names. The right to protect the Private Label Protected Names, as well as the right to determine the manner of protection, shall at all times rest exclusively with Private Label Name Owner.

(e) To the extent Manager or its Affiliates creates, develops, makes, works on or conceives, individually or jointly with others, during the Term of this Agreement, any trade names, trademarks, service marks, brands, marks, logos, trade dress, copyrights, recipes, cooking techniques and materials or other works of authorship, inventions, discoveries, improvements, designs, data and/or intellectual property of, related to and/or derived from the Private Label Protected Name and/or the TB Protected Name, in each case, in whole or part, but notwithstanding the foregoing, only relating to or only in connection with, any and all Private Label Products, excepting therefrom any Work Product (collectively, "**Private Label Work Product**"), Manager agrees that it will disclose promptly and fully to the Private Label Name Owner all such Private Label Work Product and shall make and maintain adequate and current written records and evidence of all Private Label Work Product, including drawings, work papers, graphs, computer records and any other documents, which shall be considered the property of the Private Label Name Owner and upon creation, development and conception, shall be deemed included in the Private Label Protected Names and owned by the Private Label Name Owner and licensed to Manager, at no cost, pursuant to this Agreement. Manager shall obtain from any third party making a contribution to the creation of any such Private Label Work Product an acknowledgement in form and substance acceptable to Private Label Name Owner that such third party shall not own or retain any rights, title or interest in the Private Label Work Product being created and further providing that the third party thereby assigns all of its rights,

title and interest in such work directly to the Private Label Name Owner or to Manager, so that the applicable vesting of rights in the Private Label Name Owner or assignment by Manager to the Private Label Name Owner shall grant full rights to the created Private Label Work Product to Private Label Name Owner.

(j) All Private Label Work Product shall be owned by the Private Label Name Owner and all copyrightable Private Label Work Product shall be deemed "works made for hire" of the Private Label Name Owner at the time of creation under the Copyright Act of the United States of America, 17 U.S.C. §101 et seq. Manager acknowledges that the Private Label Name Owner has specially ordered and/or commissioned such copyrightable Private Label Work Product as works made for hire, and further acknowledges that the Private Label Name Owner is the sole and exclusive author of the Private Label Work Product and the sole and exclusive owner for all purposes of the Private Label Work Product and any and all rights, title and interests therein, now known or hereafter created, throughout the universe and in perpetuity, and of all renewals and/or extensions thereof and the trademarks and all goodwill associated therewith. Except as provided herein and subject to the licenses set forth herein, the Private Label Name Owner shall have the sole and exclusive right to exploit and/or use the Private Label Work Product, in whole or part, in perpetuity, throughout the universe, in any and all media, whether now known or hereinafter devised, alone or combined together or as part of any other works of any kind or nature.

(k) If for any reason, any of the copyrightable Private Label Work Product does not vest in the Private Label Name Owner as a work made for hire, and with respect to all other Private Label Work Product, then for the consideration set forth in this Agreement, the sufficiency and receipt of which is hereby acknowledged by Manager, Manager hereby irrevocably and absolutely assigns, sets over and grants to the Private Label Name Owner, its successors and assigns, free from all restrictions and limitations, all rights, title and interests in and to such Private Label Work Product, whether now known or hereafter created, throughout the universe and in perpetuity, including, without limitation, all intellectual property contained in such Private Label Work Product (including but not limited to the trademarks and copyrights, and all renewals and extensions thereof, the goodwill associated therewith and the right to prepare all derivative works and make modifications to the Private Label Work Product); the right to make any and all additional contracts, agreements and arrangements with respect to the Private Label Work Product; and the right to make any and all decisions affecting the Private Label Work Product; and Manager further agrees to take all actions reasonably requested by the Private Label Name Owner to evidence such assignment and transfer.

(l) Manager hereby abandons, forfeits, waives and relinquishes all rights generally known as "moral rights," rights of attribution and/or rights of integrity that Manager might otherwise have had with respect to the Private Label Work Product to the fullest extent permitted by law. To the extent Manager retains any such rights under applicable law, Manager hereby ratifies and consents to any action that may be taken with respect to such moral rights by, or authorized by, the Private Label Name Owner and Manager agrees not to assert any moral rights with respect thereto. Except as provided herein, Manager understands and agrees that no royalty or other payment is or will be due or payable to Manager or any other person or entity as a result

of any of the efforts of Private Label Name Owner to commercialize or use any of the Private Label Work Product. Manager represents and warrants that it has not knowingly incorporated, and covenants that it shall not knowingly incorporate, any invention, original work of authorship, development, concept, improvement, or trade secret of, or owned in whole or in part by, any third-party, into any of the Private Label Work Product without Private Label Name Owner's prior written permission from the Private Label Name Owner.

(m) Sections 15.3 and 15.4 shall survive the expiration or termination of this Agreement. The Private Label Name Owner is an express third-party beneficiary of Sections 15.3 and 15.4. No amendment or modification of Sections 15.3 and 15.4 shall be effective unless approved in writing by Private Label Name Owner. Manager hereby agrees that it shall not use, nor grant any sublicense (or otherwise give) to any other person any right to use, the Private Label Protected Names in connection with any business or enterprise, including, without limitation, any business other than the Market.

15.5 Tin Building Name.

(a) The name of the building in which the Market is located, shall be the "Tin Building", or such other name determined by Owner, in its sole and absolute discretion (the "**Tin Building Name**"). The parties agree and acknowledge that the Tin Building Name, and all related intellectual property, including, without limitation, all trade names, trademarks, service marks, brands, marks, logos, trade dress, copyrights, recipes, cooking techniques and materials or other works of authorship, inventions, discoveries, improvements, designs, data and/or intellectual property of, related to and/or derived from the Tin Building Name, in each case, in whole or part, and all of Owner's Work Product and all goodwill generated in connection with Owner's use of any of the above (collectively, the **"TB Protected Name"**), shall be owned by Owner or, in Owner's sole discretion, by an Affiliate of Owner (the "**TB Name Owner**").

(b) Manager shall not use the TB Protected Name for any purpose or use without TB Name Owner's prior written consent. The parties acknowledge that TB Name Owner may not have an adequate remedy at law for any violations of the foregoing restrictions, and shall have the right to seek equitable and injunctive relief in the event of any use of the TB Protected Name, that is in violation of terms of this Agreement without the necessity of posting bond.

15.6 Intellectual Property, Ownership and Protection of Tin Building Name.

(a) Nothing contained in this Agreement shall be construed to confer upon Manager or to vest in Manager any right of ownership to the TB Protected Name. At no time shall Manager directly or indirectly attempt to register or cause to be registered any rights in the TB Protected Name or in any names, marks, logos or other materials identical or substantially or confusingly similar to any of the materials comprising the TB Protected Name (including any intuitive variations thereof), anywhere in the world. It is understood and agreed that Manager shall not acquire and shall not claim any title to the TB Protected Name. Manager further agrees, to the fullest extent permitted by law, not to institute or participate in any proceedings which

challenge the validity of: (i) the TB Protected Name or (ii) the TB Name Owner's ownership thereof.

(b) Manager shall use commercially reasonable efforts to assist TB Name Owner, at its sole cost and expense and upon written request, to obtain any trademark registrations or other proprietary documents desired by TB Name Owner in connection with the TB Protected Name, without limitation, by executing any instruments, acknowledgments, assignments or similar documents TB Name Owner deems necessary or advisable to confirm or effectuate Name Owner's ownership of said subject matter.

(c) Sections 15.5 and 15.6 shall survive the termination of this Agreement. The owner of the TB Protected Name is an express third-party beneficiary of Sections 15.5 and 15.6. No amendment or modification of Sections 15.5 and 15.6 shall be effective unless approved in writing by Owner. Manager hereby agrees that it shall not use, nor grant any sublicense (or otherwise give) to any other person any right to use, the TB Protected Name in connection with any business or enterprise, including, without limitation, any market other than the Market.

16. Casualty. In the event of any damage or loss to the Premises, the FF&E, the Market, or any of the Food and Beverage Operations by fire or other casualty (each a "**Casualty**"), upon becoming aware, Manager shall give immediate written notice thereof to Owner. Owner and Manager each hereby agree that the provisions of the Lease shall control the Casualty.

17. Subordination. This Agreement and the rights of the parties hereunder shall at all times be subject and subordinate to all Mortgages now or hereafter covering the operation and management of the Tin Building, Pier 17 Building and operating leases or similar financing agreements which may now or hereafter be outstanding, and to all renewals, modifications, consolidations, replacements, and extensions thereof. This Section shall be self-operative and no further instrument of subordination shall be required to effectuate the terms hereof; provided, however, Manager covenants and agrees promptly to execute and deliver any certificate or other document that Owner, lessor, manager or any mortgagee or deed of trust beneficiary under any such Mortgage may request as to such subordination; subject to Manager's review and commercially reasonable comments thereto, and Owner reimbursing Manager for reasonable legal fees and expenses incurred in connection therewith, provided that the reimbursement for such legal fees and expenses shall not exceed $3,500 in the aggregate.

18. Indemnification.

18.1 By Manager. To the fullest extent permitted by Law, Manager shall indemnify, defend and hold harmless Owner and its Affiliates, officers, directors, partners, members, trustees, employees and agents (individually, and collectively, "**Owner Indemnified Person**") from any and all liability (common law, equitable, statutory, and punitive), claim, loss, damage or expense, including, but not limited to, reasonable attorneys' fees sustained by or asserted against an Owner Indemnified Person if such liability, claim, loss, damage or expense results from or arises out of any gross negligence or willful misconduct of Manager or its Affiliates, or any person employed by Manager or its Affiliates in the performance of this Agreement unless

such liability, claim, loss, damage or expense arises out of a material breach of this Agreement or any acts or omissions by Owner and/or its Affiliates, or their officers, directors, partners, members, trustees, employees or agents or unless such claims, loss, damage or expense are waived and released pursuant to Section 18.3 below. The foregoing indemnification provision shall survive the expiration or termination of this Agreement.

18.2 By Owner. To the fullest extent permitted by Law, Owner shall indemnify, defend and hold harmless Manager and its Affiliates, and their officers, directors, partners, members, employees and agents (individually and collectively, "**Manager Indemnified Person**") from and against any and all liability (common law, equitable, statutory, and punitive), claim, loss, damage or expense, including, but not limited to, reasonable attorneys' fees sustained by or asserted against a Manager Indemnified Person if such liability, claim, loss, damage or expense, results from or arises out of (i) the business and/or operations of the Market, including any negligent act or willful misconduct of Owner or any of its affiliates, or any person employed or engaged by Owner or any of its affiliates, (ii) any wage, compensation or benefit claim by any Employee, or any employee or prior employee of Owner, or any affiliate of Owner if such claim results from, or is related to, Owner's prior employment of such Employee or the terms of such prior employment or (iii) any gross negligence or willful misconduct of Owner or its Affiliates or any person employed by Owner or any of its Affiliates in the performance of this Agreement, unless and to the extent that, in each such case, the liability, claim, loss, damage or expense is caused by, or arises out of, a material breach of this Agreement or any negligence or willful misconduct by Manager or any of its Affiliates, or any of their respective officers, directors, partners, members, trustees, employees or agents. The foregoing indemnification provisions shall survive the expiration or termination of this Agreement.

18.3 Waiver of Subrogated Claims. Owner and Manager each hereby waive any and all rights of recovery against the other, or against the members, managers, officers, employees, agents or representatives of the other, for loss of or damage to its property or the property of others under its control, if and to the extent such loss or damage is covered and actually paid by an insurance policy in force at the time of such loss or damage.

18.4 WARN Act/Transfer Liability Indemnity. Owner shall indemnify, defend and hold Manager, its Affiliates, and all of their respective officers, directors, employees, agents, successors and permitted assigns, jointly and severally (collectively, the "**Indemnified Parties**") harmless from any claims, costs, liabilities, demands, penalties, obligations, attorneys' fees or charges arising under, each as amended, the Federal Worker Adjustment and Retraining Notification Act (the "**WARN Act**"), the Employee Retirement Income Security Act of 1974 ("**ERISA**"), the Immigration Reform and Control Act, the National Labor Relations Act, the New York Labor Law (including but not limited to the NY Hospitality Industry Wage Order), the New York Worker Adjustment and Retraining Notification Act, the New York City Fair Workweek Law, any statutory, contractual, or promised leave or other time off entitlement, payout, or accrual, any expense incurred that is subject to reimbursement, any breach of contract or breach of other quasi-contractual theories, any other accrued compensation entitlement, any required employee (or independent contractor) paperwork, pay notices, pay statements, or other notices, postings, or paperwork required for new, existing, or former employees (or independent

contractors), and/or any other similar federal, state, and or local statute, law, and/or ordinance, as well as any regulations implementing any of the foregoing, which accrue on or prior to the Effective Date of this Agreement.

18.5 Notwithstanding anything stated to the contrary contained herein, (i) any liabilities, claims, losses, damages or expenses for which Manager is liable and responsible to pay, pursuant to or in connection with Manager's indemnities under this Section 18, shall not constitute a Market Expense, and shall not be paid as a Market Expense hereunder; (ii) Owner reserves and maintains the right to approve all employment counsel in connection with Owner's indemnities under Section 18.2; and (iii) Manager shall not settle any action or claim against an Owner Indemnified Person in connection with or arising out of Section 18 of this Agreement, or in connection with, Owner's indemnities under Section 18, in excess of $25,000 without Owner's prior written consent.

19. Confidential Information; Non-Disparagement.

19.1 Confidential Information. Owner and Manager acknowledge that each may receive certain material which is not publicly known concerning the business and affairs of the other (including without limitation the terms of this Agreement; collectively "**Confidential Information**") in connection with this the Agreement, and agree that each of them has a proprietary interest in their respective Confidential Information. No party will disclose Confidential Information except (a) to their agents, attorneys or accountants or (b) as may be required by applicable law (including legal requirements applicable to Owner or a related entity as a publicly held company), by court order, or by obligations imposed on the disclosing party pursuant to any listing agreement with any national securities exchange. All disclosures of Confidential Information to a party, its agents, employees and sublicensees shall be held in strict confidence by such party, its agents, employees and sublicensees, and such party may disclose the Confidential Information only to those of its agents, employees and sublicensees to whom it is necessary in order to properly carry out their duties hereunder. No party shall use the Confidential Information of the other after the expiration or termination of this Agreement and shall, upon request, return all copies of the Confidential Information to the other as soon as practicable after the expiration or termination of this Agreement.

19.2 Disclosure. For the purposes of this Agreement, all terms regarding the use, disclosure, return and destruction of Confidential Information shall apply to all (i) copies or other reproductions of any Confidential Information provided to, for or on behalf of the Receiving Party pursuant to this Agreement, and (ii) summaries, abstracts, compilations, analyses and other documents or materials produced by, for or on behalf of the Receiving Party based on any Confidential Information, but only to the extent of the portion thereof containing excerpted Confidential Information.

19.3 Dissemination of Information. All dissemination of information with respect to this Agreement or the transactions contemplated hereby including, without limiting the generality of the foregoing, releases to the news media generally and advertising, shall be in the form as the parties may mutually agree upon as to the content and neither party shall disseminate

any information with respect to this Agreement or the transactions contemplated hereby at any time without the consent of the other except as may be required by law.

19.4 No Statements. The parties agree not to engage in any act or say anything (either directly or by or through another person) that is intended, or may reasonably be expected, to harm the reputation, business or operations of the Market, Owner, Manager or each of their respective Affiliates, customers, employees, officers, directors or shareholders prior to or after the expiration or termination of this Agreement.

19.5 Survival. The provisions of this Section 19 shall survive the expiration or termination of this Agreement.

20. Disclaimer; Limitation of Liability. Each party agrees that neither party has made any representations or warranties to the other regarding the amount of Market Receipts that the Market will generate, the amount of the fees that will be earned by Manager, the profits that Owner or Manager may expect to receive, the number of guests who will visit the Market or the Tin Building, or any other representations or warranties that are not expressly set forth in this Agreement. Each party is sophisticated and knowledgeable in business matters and is relying only on its own research and due diligence in deciding to enter into this Agreement. IN NO EVENT SHALL EITHER PARTY BE LIABLE TO THE OTHER PARTY FOR ANY CONSEQUENTIAL, SPECIAL, INDIRECT OR PUNITIVE DAMAGES, NOR FOR ANY LOST PROFITS OR LOST BUSINESS OPPORTUNITIES, REGARDLESS OF WHETHER A PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

21. Miscellaneous.

21.1 Notices. Any and all notices, by either party to be delivered to for the other shall be sent by (i) recognized overnight courier, or (ii) by registered or certified mail, return receipt requested, to (a) Owner c/o The Howard Hughes Corporation, One Galleria Tower, 22nd Floor, 13355 Noel Road, Dallas, Texas 75240 Attention: General Counsel and (b) to Manager at 11 Prince Street, Fl. 2, New York, New York 10012, Attention: Jean Georges Vongerichten, with a copy to Golenbock Eiseman Assor Bell & Peskoe, LLP, 711 Third Avenue, New York, NY 10017, Attention: Lawrence R. Haut, Esq., respectively, unless any party shall have designated different addresses by serving written notice of change of address on the other parties pursuant to this Section 21.1.

21.2 Integration. This Agreement supersedes all agreements previously made between the parties relating to its subject matter. There are no other understandings or agreements between them with respect to the subject matter of this Agreement as of the Effective Date.

21.3 No Amendment. This Agreement may not be changed, supplemented or modified except by another agreement in writing signed by Owner and Manager.

21.4 No Waiver. No delay or failure by either party to exercise any right under this Agreement, and no partial or single exercise of that right, shall constitute a waiver of that or any other right, unless otherwise expressly provided herein.

21.5 Headings. Headings in this Agreement are for convenience only and shall not be used to interpret or construe its provisions.

21.6 Governing Law and Jurisdiction. This Agreement shall be construed in accordance with and governed by the laws of the State of New York. Any action on an arbitration award or any action for injunctive relief shall be brought exclusively in the state and federal courts located in New York County, New York with the case tried before the Court and each party irrevocably submits to such jurisdiction.

21.7 Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

21.8 Successors and Assigns. The provisions of this Agreement shall be binding upon and inure to the benefit of the parties and their respective legal representatives, successors and assigns.

21.9 Severability. If any term or provision of this Agreement or the application thereof to any person or circumstance shall to any extent be invalid or unenforceable, the remaining terms and provisions of this Agreement, or the application of such terms or provisions to the person or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each term and provision of this Agreement shall be valid and be enforced to the fullest extent permitted by law.

21.10 Exclusivity. While this Agreement is in effect, Manager and its principals, employees and affiliates shall not, directly or indirectly, announce or operate another Jean Georges seafood market concept within the City of New York.

21.11 Experience. The parties represent that each is knowledgeable and sophisticated in business matters, including the subject matter of this Agreement, the parties have read this Agreement and each party understands its terms. The parties acknowledge that, prior to assenting to the terms of this Agreement; each has been given a reasonable time to review it, to consult with counsel of its choice and to negotiate at arm's length as to its contents. The parties agree that the language used in this Agreement is the language chosen by the parties to express their mutual intent, and that they have entered into this agreement freely and voluntarily and without pressure or coercion from anyone.

21.12 Authority.

21.12.1. By Owner. Owner represents and warrants to Manager that (i) Owner has full power and authority to execute and deliver this Agreement and to perform all obligations of Owner hereunder, and (ii) the execution and delivery by the signer on behalf of Owner and the performance by Owner of its obligations hereunder has been duly and validly authorized by all necessary action by Owner.

21.12.2. By Manager. Manager represents and warrants to Owner that (i) Manager has full power and authority to execute and deliver this Agreement and to perform all obligations of Manager hereunder, and (ii) the execution and delivery by the signer on behalf of Manager and the performance by Manager of its obligations hereunder has been duly and validly authorized by all necessary action by Manager.

21.13 Termination of Prior Management Agreement and Release of Claims.

21.13.1. Termination of Prior Agreements. Prior Manager, Manager and Owner each hereby acknowledge and agree that the Prior Management Agreement shall be terminated in its entirety on the Effective Date (without any further action required to be taken by any party) and shall have no further force or effect from and after such date.

21.13.2. Release of Claims. Prior Manager, Manager and Owner each hereby acknowledge and agree that each of them hereby fully and unconditionally releases the other party (and any Affiliate of such other party) from and against any and all past, present and future claims, whether known or unknown, that either party (or any of its Affiliates) has, or may have, against the other party (or any of its Affiliates) under, or in respect of, the Prior Management Agreement, and from and against any and all liability related to the Prior Management Agreement or with respect to any claims under, or related to, the Prior Management Agreement or any transaction described therein, except for claims arising under Section 7.

21.14 Assignment. Manager shall not voluntarily or involuntarily, by operation of law or otherwise, assign any right or delegate any obligation under this Agreement to any party (including, without limitation, any of Manager's Affiliates), without, in each instance, obtaining the Owner's prior written consent. Any purported delegation or assignment in violation of this Section is void.

21.15 Prohibition on Other Markets. During the Term, Manager hereby agrees that neither Manager nor any Affiliate of Manager shall own, operate, manage, invest or otherwise be involved in any other mixed-use retail and restaurant food halls or markets that are substantially similar to the Market. For purposes of clarity, and solely by way of example, the market operated by Manager at Edition in Miami, Florida, shall not be considered to be substantially similar to the Market for the purposes of this Section 21.15.

[Signature page follows]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed on the day and year first above written.

OWNER:
FULTON SEAFOOD MARKET, LLC,
a Delaware limited liability company

By: /s/ David O'Reilly
Name: David O'Reilly
Title: President & Chief Financial Officer

MANAGER:
CREATIVE CULINARY MANAGEMENT
COMPANY LLC,
a New York limited liability company

By: /s/ Jean-Georges Vongerichten
Name: Jean-Georges Vongerichten
Title: Proprietor

With respect to Section 21.13 hereof only:

PRIOR MANAGER:
VS-Fulton Seafood Market, LLC

By: /s/ Jean-Georges Vongerichten
Name: Jean-Georges Vongerichten
Title: Authorized Signatory

FIRST AMENDMENT TO MARKET HALL MANAGEMENT AGREEMENT

This **FIRST AMENDMENT** (the "**Amendment**") **TO MARKET HALL MANAGEMENT AGREEMENT** (the "**Agreement**") is made as of this 11th day of August, 2022 (the "**Effective Date**"), by and between **FULTON SEAFOOD MARKET, LLC**, a Delaware limited liability company (**"Owner"**) and **CREATIVE CULINARY MANAGEMENT COMPANY LLC,** a Delaware limited liability company ("**Manager**").

RECITALS

A. Owner and VS-FULTON SEAFOOD LLC ("**Prior Manager**") entered into that certain Food Hall Management Agreement, as of January 8, 2018 (as heretofore amended, the "**Prior Management Agreement**");

B. Owner and Manager entered into that certain Market Hall Management Agreement, dated July 1, 2020 (the "**Agreement**"), which pursuant to its terms, terminated the Prior Management Agreement, and otherwise, set forth certain terms and provisions for Manager to manage and operate the Market for Owner;

C. Owner and Prior Manager inadvertently entered into that certain First Amendment of Food Hall Management Agreement, dated August 11, 2022 (the "**Prior Amendment**"); and

D. Owner, Manager and Prior Manager desire to terminate the Prior Amendment, and amend the Agreement as hereinafter set forth.

AGREEMENTS:

NOW, THEREFORE, in consideration of the mutual agreements hereinafter contained, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Members hereby covenant and agree to amend the Agreement as follows:

1. Recitals. The recitals set forth above are true and correct and are incorporated herein by this reference.

2. Capitalized Terms. Capitalized terms first defined herein shall have the meanings so given. Capitalized terms not defined herein shall have the meanings ascribed to them in the Agreement.

3. Amendment to Section 1 - Definitions.

(a) The definition of "Gross Receipts under Section 1 of the Agreement is hereby deleted in its entirety and replaced with the following:

" "**Market Receipts**" shall mean, for the Market, for any applicable period, determined on an "accrual basis", the actual, gross receipts (including cash, credit card and debit card receipts) from food and beverage sales and merchandise sales at the Market, equipment or room rentals, "photo or location shoots", "buy-out" fees (i.e., where all or substantially all of the Market is bought out for a private event), event service fees not paid to Employees, and all sales, rentals, leases, licenses or other transfer of merchandise or services and other receipts of any kind whatsoever of (x) all business within the Market by Manager and any subtenant, assignee, licensee, concessionaire or

contractor that is an affiliate of Manager and (y) the sale of products within the Market that are derived, developed or created in whole or in part, from any Work Product and sold by Manager or Name Owner, or any subtenant, assignee, licensee, concessionaire or contractor that is an affiliate of Manager or Name Owner, and (z) all business conducted in or from the Premises by any subtenants, assignees, licensees, concessionaires or contractors that are not affiliates of Manager (including, without limitation, e-mail or internet, mail, catalogue, closed circuit television, computer, other electronic or telephone orders received or filled at the Premises), any Private Label Proceeds, all deposits not refunded to purchasers, orders taken, although said orders may be filled elsewhere, gross receipts from vending machines, electronic games and similar devices, and the proceeds of any business interruption insurance; provided, however, the term "Market Receipts" and "Private Label Proceeds" shall not include the following:

(a) gratuities or service charges added to guests' bills or statements which shall be paid over to Employees unless otherwise mutually agreed to by the parties;

(b) taxes of whatever nature, including without limitation goods and services tax, value added or other like taxes collected directly from patrons or guests as part of or as an addition to the sales price of any goods or services;

(c) any proceeds or other economic benefit of any borrowings;

(d) any funds furnished by Owner or Landlord;

(e) insurance proceeds (other than insurance proceeds for, or related to, business interruption);

(f) condemnation awards, litigation damages and settlement payments (except to the extent such awards, damages or payments are intended to reimburse the Market or the parties for lost Market Receipts and/or to the extent fees, costs or other expenses incurred in connection with any such litigation or settlement have been included in Market Expenses for any period);

(g) proceeds of collection of accounts receivable to the extent the amount of any account receivable was previously included in Market Receipts;

(h) sale of any FF&E;

(i) payments made under any warranty or guaranty except to the extent such payments are intended to reimburse the Market or the Parties for lost Market Receipts; or

(j) credit card commissions."

(b) The definition of "**Market Expenses**" under Section 1 of the Agreement is hereby Amended to include in such defined term, any and all Private Label Expenses.

(c) The following definitions are hereby added to Section 1:

(i) "**Owner's LLC Agreement**" means the Second Amended and

Restated Limited Liability Company Agreement of Owner, entered into as of August 11, 2022.

(ii) "**Private Label Expenses**" shall mean any and all costs or expenses incurred in connection with, or allocated to, the design, manufacture, transportation, storage, marketing or sale of any Private Label Products.

(iii) **"Private Label Proceeds"** shall mean, for any applicable period, determined on an "accrual basis", the actual, gross receipts (including cash, credit card and debit card receipts) derived from any and all sales or licensing of Private Label Products.

(iv) **"Private Label Net Losses"** shall mean, for each Fiscal Year (or other accounting period), the amount, if any, by which the Private Label Expenses for the applicable Fiscal Year (or other accounting period) exceed the Private Label Proceeds for such Fiscal Year (or other accounting period).

(v) **"Private Label Net Proceeds"** shall mean, for each Fiscal Year (or other accounting period), the amount, if any, by which the amount of Private Label Proceeds for the applicable Fiscal Year (or other accounting period) exceed the Private Label Expenses for such Fiscal Year (or other accounting period).

(vi) **"Private Label Products"** any products sold by the Market, Jean Georges Vongerichten, Manager or any of their respective employees, contractors, licensees, assignees or Affiliates (collectively, the "**JG Parties**") that contain a product label bearing the Private Label Protected Name, regardless if any of the JG Parties developed or created the products.

(vii) **"Private Label Protected Name"** shall mean collectively, "Jean Georges", "Jean Georges Vongerichten, "JG" or "JGV", or any biographical data or photograph of Jean Georges Vongerichten and all goodwill generated in connection with any of the foregoing, and excepting therefrom, "Tin Building", "The Tin Building", or any derivations thereof.

4. Amendment to Section 15.1. Notwithstanding anything stated to the contrary in Article 14 of the Agreement, the parties acknowledge and agree that **(A)** the name of the building in which the Market is located, shall be the "Tin Building", or such other name for such building as determined by Owner, in its sole and absolute discretion (the "**Tin Building Name**"), **(B)** the Tin Building Name, all related Intellectual Property, including but not limited to use of the TIN BUILDING trademark in connection with goods, and all goodwill generated in connection with use of any of the above, shall be owned by Owner or, in Owner's sole discretion, by an Affiliate of Owner.

5. Termination of Prior Amendment. Prior Manager, Manager and Owner each hereby acknowledge and agree that the Prior Amendment shall be terminated in its entirety on the Effective Date (without any further action required to be taken by any party) and shall have no further force or effect from and after such date. Prior Manager, Manager and Owner each hereby acknowledge and agree that each of them hereby fully and unconditionally releases the other party (and any Affiliate of such other party) from and against any and all past, present and future claims, whether known or unknown, that either party (or any of its Affiliates) has, or may have, against the other party (or any of its Affiliates) under, or in respect of, the Prior Amendment, and from and against any and all liability related to the Prior Amendment or with respect to any claims under or related to, the Prior Amendment.

6. Severability. This Amendment and the Agreement shall be considered, for all intents and purposes, one instrument. In the event of any conflict between the terms and provisions of this Amendment and the terms and provisions of the Agreement, the terms and provisions of this Amendment shall, in all instances, prevail. If any provision of this Amendment or the application thereof to any person or circumstance is or becomes illegal, invalid or unenforceable, the remaining provisions hereof shall remain in full force and effect and this Amendment shall be interpreted as if such illegal, invalid or unenforceable provision did not exist herein.

7. No Modification. This Amendment may not be changed, amended, modified, waived, discharged or terminated, except by an instrument in writing signed by the party against whom enforcement of such change, amendment, modification, waiver, discharge or termination is sought.

8. Entire Agreement. This Amendment constitutes the entire agreement and understanding between the parties hereto respecting the subject matter hereof and there are no other agreements, understandings, undertakings, representations or warranties among the parties hereto with respect to the subject matter hereof except as set forth herein.

9. Ratified. Except as otherwise provided herein, the Agreement is not otherwise modified, is hereby reaffirmed and ratified and remains in full force and effect.

10. Counterparts; Multiple Originals. This Amendment may be executed simultaneously in two or more counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same instrument.

11. Electronic Signatures. The Members intend to enter into this Amendment with electronic signatures and consent to entering into this Amendment with electronic signatures. The Members hereby agree that the electronic signature of each Member to this Amendment shall be as valid as an original handwritten signature of such party to this Amendment and shall be effective to bind such party to this Amendment. The Members agree that this Amendment, as signed by each Member with electronic signatures, shall be deemed (i) to be "written" or "in writing," (ii) to have been signed by each Member to the same extent as if signed by each Member with original handwritten signatures, and (iii) to constitute a record established and maintained in the ordinary course of business and an original written record when printed from electronic files, even though containing electronic signatures. Such paper copies or "printouts" of this Amendment as signed with electronic signatures, if introduced as evidence in any judicial, arbitral, mediation or administrative proceeding, will be admissible as between the Members to the same extent and under the same conditions as other original business records containing original handwritten signatures and created and maintained in documentary form. Neither Member shall contest the admissibility of true and accurate copies of this Amendment as signed by the Members with electronic signatures on the basis of the best evidence rule or as not satisfying the business records exception to the hearsay rule. For purposes hereof, "electronic signature" means an electronic symbol or process attached to or logically associated with a contract or other record intended to serve as a manual signature.

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IN WITNESS WHEREOF, Owner and Manager have caused this Amendment to be executed as of the Effective Date.

FULTON SEAFOOD MARKET, LLC,
a Delaware limited liability company

By: /s/ Peter F. Riley
Name: Peter F. Riley
Title: Secretary

CREATIVE CULINARY MANAGEMENT COMPANY LLC,
a New York limited liability company

By: /s/ Jean-Georges Vongerichten
Name: Jean-Georges Vongerichten
Title: Authorized Signatory

With respect to Section 5 hereof only:

PRIOR MANAGER:

VS-Fulton Seafood Market, LLC

By: /s/ Jean-Georges Vongerichten
Name: Jean-Georges Vongerichten
Title: Authorized Signatory

Exhibit 10.11
EXECUTION VERSION

AMENDED AND RESTATED

AGREEMENT OF LEASE

between

THE CITY OF NEW YORK (AS SUCCESSOR IN INTEREST TO THE SOUTH STREET SEAPORT CORPORATION), AS LANDLORD

and

SOUTH STREET SEAPORT LIMITED PARTNERSHIP

(AS SUCCESSOR IN INTEREST TO SEAPORT MARKETPLACE, INC.), AS TENANT

Dated as of June 27, 2013

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AGREEMENT OF LEASE, made as of the ___ day of _____, 2013, between THE CITY OF NEW YORK (AS SUCCESSOR IN INTEREST TO THE SOUTH STREET SEAPORT CORPORATION), a municipal corporation of the State of New York, having an address at City Hall, New York, New York 1007, as landlord (the "Landlord"), and SOUTH STREET SEAPORT LIMITED PARTNERSHIP (AS SUCCESSOR IN INTEREST TO SEAPORT MARKETPLACE, INC.)), having an address at c/o The Howard Hughes Corporation, One Galleria Tower, 13355 Noel Road, 22nd Floor, Dallas, Texas 75240, as tenant (the "Tenant").

W I T N E S S E T H:

WHEREAS, the South Street Seaport Corporation ("SSSC"), Seaport Marketplace, Inc. ("SMI"), South Street Seaport Museum, The City of New York ("City"), and The State of New York ("State"), acting through Seaport Redevelopment Corporation ("SRC"), have heretofore agreed to join together in the development and operation of a project known generally as the South Street Seaport Project (the "Project"), on certain premises and streets (the "Project Premises", hereinafter defined and described) owned by the City, located in the South Street Seaport area of the Borough of Manhattan, City, County and State of New York; and

WHEREAS, in furtherance of the plan of development of the Project, South Street Seaport Museum, City and SRC entered into an Improvement and Operation Agreement dated as of December 15, 1981 (the "Improvement Agreement") setting forth certain rights and obligations of said parties in respect of the initial construction and development of the Project and the use, operation and maintenance of the Project Premises; and

WHEREAS, in furtherance of the plan of development of the Project, (i) the City, as landlord, demised the Project Premises to South Street Seaport Museum, as tenant, on the terms and conditions set forth in a lease dated as of December 15, 1981 (the "City Lease") and (ii) South Street Seaport Museum and SSSC entered into an Assignment and Assumption Agreement pursuant to which South Street Seaport Museum assigned to SSSC its entire interest in and to the City Lease, and SSSC assumed all of the tenant's obligations under the City Lease; and

WHEREAS, in fulfillment of the plan of development of the Project, SSSC, as landlord, and SMI, as tenant, entered into that certain lease, dated as of December 15, 1981, as supplemented by Supplement to Marketplace Lease dated as of July 25, 1983, as amended by a First Amendment to Marketplace Lease dated as of May 16, 1985, and as further supplemented by Second Supplement to Marketplace Lease dated as of June 21, 1996 (said lease, as so amended and supplemented, shall hereinafter be referred to as the "Marketplace Lease") pursuant to which SSSC subleased to SMI certain portions of the Project Premises leased to SSSC by the City under the City Lease; and

WHEREAS, pursuant to a certain sublease dated as of July 25, 1983 by and between SMI and South Street Seaport Limited Partnership ("SSSLP"), SMI subleased the premises demised under the Marketplace Lease to SSSLP (said sublease shall hereinafter be referred to as the "LP Sublease"); and

WHEREAS, pursuant to notice dated August 4, 1995 and effective August 17, 1995, the City terminated the City Lease and pursuant to a certain Joinder Agreement, dated as of December 15, 1981, by and between the City and SMI (the "Joinder Agreement"), upon such termination of the City Lease, the Marketplace Lease continued in force and effect with the City as landlord; and

WHEREAS, pursuant to the LP Sublease and pursuant to Section 10.03(f) of the Marketplace Lease, SSSLP is deemed to be and act as tenant under the Marketplace Lease; and

WHEREAS, pursuant to the Brooklyn Bridge Southeast Urban Renewal Plan, as amended, and Article 15 of the General Municipal Law, the Board of Estimate of The City of New York pursuant to law did, by virtue of, and upon the terms and conditions set forth in the Resolution adopted at a meeting held on October 22, 1981 (Calendar No. 18), approve and consent to the execution by the Mayor or his designee and the Commissioner of Ports and Terminals of the City Lease, the Improvement Agreement, the Joinder Agreement and the Marketplace Lease; and

WHEREAS, Landlord and Tenant desire to amend and restate the Marketplace Lease to, among other things, provide for the renovation and rehabilitation of Pier 17 and the existing Improvements situated thereon, delete any supplemental or participation type of rent payable under the Marketplace Lease, release the City from its existing obligation to maintain Pier 17, provide for the assumption by SSSLP of any and all obligations to maintain the Premises and the Joint Maintenance Area, and to terminate the Improvement Agreement and incorporate any surviving provisions of the Improvement Agreement into this Lease.

NOW, THEREFORE, in consideration of the premises and of the mutual covenants hereinafter set forth, Landlord and Tenant hereby covenant and agree as follows:

It is hereby mutually covenanted and agreed by and between the parties hereto that this Lease is made upon the terms, covenants and conditions hereinafter set forth.

ARTICLE 1

DEFINITIONS

For all purposes of this Lease and all agreements supplemental hereto the terms defined in this Article 1 shall have the following meanings:

"Additional Rent" shall mean any and all sums and payments in addition to Base Rent that this Lease requires Tenant to pay to Landlord or any third party in accordance with Article 4 (Impositions), whether or not expressly designated as Additional Rent.

"Affiliate(s)" means any Person Controlling, Controlled by or under common Control with any other Person.

"AIDC" means Apple Industrial Development Corporation, a not-for-profit corporation with which EDC contracts to perform lease administration services.

"All Risk" has the meaning provided in Section 7.1 hereof.

"Alteration" means any alteration, improvement or replacement made by Tenant to the Premises and the Buildings and improvements located thereon, including, without limitation, any Material Alteration.

"Amendment Commencement Date" has the meaning provided in Section 3.2 hereof.

"Anchor Premises" means any portion of the Premises that is subleased or otherwise Transferred to a third party by Tenant, consisting of thirty thousand (30,000) gross leasable square feet or more of space within the Premises.

"Approved Plans and Specifications" means plans and specifications for the Initial Renovation Work or any Material Alteration, as applicable, approved in accordance with the provisions of Section 13.2 or Section 15.2(b) hereof.

"Architect" means SHoP Architects, as the architect of record, or any other registered architect or architectural firm selected by Tenant and approved by Landlord, which approval shall not be unreasonably withheld, conditioned or delayed.

"Assignee" has the meaning provided in Section 10.2(a) hereof.

"Assignee Reasonably Satisfactory to Landlord" has the meaning provided in Section 42.18(c) hereof.

"Assignment" has the meaning provided in Section 10.2(d) hereof.

"Assignment of Construction Contract" has the meaning provided in Section 15.3 hereof.

"Authorized Occupant" has the meaning provided in Section 7.1(b) hereof.

"Base Building Systems" has the meaning provided in Section 14.2 hereof.

"Base Rent" has the meaning provided in Section 3.2 hereof.

"Building(s)" means one or more of the buildings (including footings and foundations) and all space demised therein, improvements, Equipment, Street Furniture, landscaping, wharves, piers, portals, quays and fender systems, if any, and other improvements and appurtenances of every kind and description now located or hereafter erected, constructed, or placed upon the Project Premises or the streets adjoining the same, and any and all alterations, renewals and replacements thereof, additions thereto and substitutions therefor.

"Building Department" means the New York City Department of Buildings.

"Building Systems Casualty" has the meaning provided in Section 8.2 hereof.

"Building Systems Restoration" has the meaning provided in Section 8.2 hereof.

"Business Day" means any day other than a Saturday, Sunday, legal holiday, a day on which the City is closed for business, or a day on which banking institutions in New York City are authorized by law or executive order to close.

"City" has the meaning provided in the Preamble.

"City Lease" has the meaning provided in the Preamble.

"Commencement Date" has the meaning provided in Section 2.2 hereof.

"Commercial Areas" means those portions of the Former Streets designated for pushcarts or other mobile vending activities and unenclosed sidewalk cafes as shown on the map forming a part of Exhibit C-1 hereto.

"Completion Guaranty" has the meaning provided in Section 13.5 hereof.

"Condemnation Restoration" has the meaning provided in Section 9.2 hereof.

"Construction Commencement Date" means October 1, 2013.

"Construction Contract" has the meaning provided in Section 13.4(c) hereof.

"Construction Documents" has the meaning provided in Section 13.2 hereof.

"Construction Work" means any work or furnishing of materials for construction performed by or on behalf of Tenant during the Term, including construction of the Initial Renovation Work, Alterations and Tenant Restorations, including all connections to public or private utilities.

"Contractor" has the meaning provided in Section 15.34(c) hereof.

"Control" means, with respect to any Person, either (a) the direct or indirect ownership of not less than fifty percent (50%) of the ownership interests in such Person or (b) the power directly or indirectly to direct the management and affairs of such Person, whether through the ability to exercise voting power, by contract or otherwise.

"Control Affiliate" means any Person that is Controlling or Controlled by Tenant.

"Conviction" has the meaning provided in Section 42.18(c) hereof.

"CPI" means the Consumer Price Index for All Urban Consumers published by the Bureau of Labor Statistics of the U.S. Department of Labor, New York, N.Y., Northeastern N.J. Area, All Items (1982-84=100), or any successor index thereto.

"CPI Increase" means a fraction, the numerator which shall be the difference between (x) CPI for the month immediately preceding the commencement of the new Lease Year and (y) CPI for the month immediately preceding the commencement of the ending Lease Year and the denominator which shall be the CPI for the month immediately preceding the commencement of

the ending Lease Year. However, at no time shall the CPI increase be less than zero (0). By way of example, if the CPI Increase is being calculated for a new Lease Year beginning July 2010, the calculation would be [(CPI for June 2010) - (CPI for June 2009)] / (CPI for June 2009).

"Date of Taking" means the date on which title to all of the Premises or any portion thereof, as the case may be, shall have vested in any lawful power or authority pursuant to the provisions of applicable federal, state, or local condemnation law or the date on which the right to the temporary use of the same has so vested in any lawful power or authority as aforesaid.

"Default" means any specified condition or event, or failure of any specified condition or event to occur, which constitutes or would, after any required notice, or the lapse of time or both, constitute an Event of Default.

"Demapping Resolution" has the meaning provided in Section 2.1 hereof.

"Depositary" means an Institutional Lender selected by Tenant and, to the extent required pursuant to the terms of the definition of Institutional Lender, approved by Landlord (which approval shall not be unreasonably withheld, delayed or conditioned), except that any Recognized Mortgagee shall be deemed approved by Landlord.

"EB-5 Financing" has the meaning provided in Section 11.2(c).

"EB-5 Lender" has the meaning provided in Section 11.2(c).

"EDC" or "New York City Economic Development Corporation" means that certain local development corporation pursuant to Section 1411 of the New York State Not-for-Profit Corporation Law, having an office at 110 William Street, New York, New York 10038, or its successor or assign.

"Employment and Benefits Report" has the meaning provided in Section 40.9(a).

"Environmental Laws" means all federal, state, and local laws and regulations relating to pollution or protection of human health or the environment.

"Equipment" means all fixtures and personal property incorporated in, or attached to, and used or usable in the operation of the Premises and shall include, but shall not be limited to, all machinery, apparatus, devices, motors, engines, dynamos, compressors, pumps, boilers and burners, heating, lighting, plumbing, ventilating, air cooling and air conditioning equipment; chutes, ducts, pipes, tanks, fittings, conduits and wiring; incinerating equipment; elevators,

escalators and hoists; partitions, doors, cabinets, hardware; books and stacks and shelving therefor; floor, wall and ceiling coverings; wash room, toilet and lavatory equipment; lobby decorations; windows, window washing hoists and equipment; communication equipment; and all additions or replacements thereof, excluding, however, any personal property and trade fixtures; provided, however, that with respect to trade fixtures, the removal thereof will not cause structural damage to a Building unless promptly repaired to Landlord's reasonable satisfaction.

"Equity Interest" has the meaning provided in Section 10.2(d) hereof.

"Esplanade Payment" has the meaning provided in Section 3.3 hereof.

"Esplanade Project" means the esplanade and other public amenities along the East River waterfront in lower Manhattan, from the Battery Maritime Building to East River Park, as more particularly identified on Exhibit D hereto.

"Event of Default" has the meaning provided in Section 24.1 hereof.

"Excess Development Rights" means those Floor Area Development Rights that are appurtenant to the Land and are in excess of the Floor Area Development Rights utilized by Buildings that are part of the Premises and are or could become available for transfer pursuant to the Zoning Resolution.

"Exempt Work" has the meaning provided in Section 3.5(a) hereof.

"Extended Term(s)" has the meaning provided in Section 2.2(b) hereof.

"Federal Courts" has the meaning provided in Section 42.19 hereof.

"Final Completion" means, with respect to the Initial Renovation Work and any Material Alteration, that all work, including all punch list items, remaining after Substantial Completion, have been completed in accordance with the Approved Plans and Specifications.

"Final Expiration Date" has the meaning provided in Section 2.2(b) hereof.

"First Expiration Date" has the meaning provided in Section 2.2(a) hereof.

"Fiscal Year" has the meaning provided in Section 40.9(a).

"Floor Area" means floor area as defined in Section 12-10 of the Zoning Resolution.

"Floor Area Development Rights" means the rights, as determined in accordance with the Zoning Resolution, which are appurtenant to a zoning lot, to develop such zoning lot by erecting thereon a structure or structures with a total floor area determined by (i) multiplying the area of such zoning lot by the basic maximum allowable floor area ratio for structures in the zoning district in which such zoning lot is located, and (ii) the inclusion of any available bonus floor area and any use, bulk, density and other development rights permitted under the Zoning Resolution which may be authorized to be developed by the appropriate agency of the City of New York from time to time.

"Former Streets" means collectively, the following portions of former streets (including former sidewalk areas forming parts thereof) which were closed and discontinued pursuant to the Demapping Resolution: Fulton Street between South Street and Water Street; Front Street between Fulton Street and Beekman Street, and between John Street and Fulton Street; Water Street between Beekman Street and Fulton Street; and the approximately 18-foot wide strip located on the northwesterly side of South Street between Beekman Street and John Street.

"General Maintenance Standards" has the meaning provided in Section 14.1(a) hereof.

"Governmental Authority or Authorities" means the United States of America, the State of New York, New York City, and any agency, department, commission, board, bureau, instrumentality or political subdivision of any of the foregoing, now existing or hereafter created, having jurisdiction over the Premises or any portion thereof or any street, road, avenue or sidewalk comprising a part of, or in front of, the Premises, or any vault in or under the Premises.

"Gross Leasable Area" means the space, at all levels, within buildings, measured from the outside face of exterior or corridor walls and the center of party walls (without deduction for columns or other structural elements within any such space), usable, leasable and/or intended for residential, museum, retail, restaurant or other commercial purposes, exclusive of common areas, service and utility areas, public toilets and loading docks, to the extent such areas are not leased, or not intended to be leased, to Subtenants.

"Guarantor" has the meaning provided in Section 13.5 hereof.

"Hazardous Substances" means all substances defined as Hazardous Substances, Oils, Pollutants or Contaminants in the National Oil and Hazardous Substances Pollution Contingency Plan, 40 C.F.R. § 300.5, toxic mold, or any substances generally defined as such by, or regulated as such under, any Environmental Law.

"Hearing" has the meaning provided in Section 42.18(a) hereof.

"Hearing Officers" has the meaning provided in Section 42.18(a) hereof.

"Imposition(s)" has the meaning provided in Section 4.1(b) hereof.

"Indemnitees" has the meaning provided in Section 20.1 hereof.

"Indicted Party" has the meaning provided in Section 42.18(a) hereof.

"Initial Renovation Designs" means those designs set forth in the plans referred to in Exhibit G-1 annexed hereto.

"Initial Renovation Work" means the construction of the Renovation Project and improvements to other portions of the Premises (including construction of those portions of the Esplanade Project that are to be located within the Premises), exclusive of any fit-out work done by, or on behalf of, a Subtenant.

"Initial Term" has the meaning provided in Section 2.2(a) hereof.

"Institutional Lender" shall mean any of the following entities provided that each such entity shall qualify as an Institutional Lender only if it shall (a) be subject to service of process within the State of New York and (b) have at least $500,000,000.00 in total assets:

(i) institutions, companies or other entities whose principal activities are subject to the supervision, regulation and control of a department, agency or other governmental authority (however denominated) of the State of New York having jurisdiction over banks, insurance companies, savings and loan associations or similar entities;

(iii) institutions, companies or other entities whose principal investment activities are subject to the supervision, regulation and control of the Comptroller of the Currency, the Federal Deposit Insurance Corporation, the Federal Savings and Loan Insurance Corporation, the Federal Home Loan Bank Board or the Federal Reserve Board (or their successors) or of any other agency, department or instrumentality of the United States of America exercising similar functions as such entities or having supervisory and regulatory authority similar to that of the Banking Department or Insurance Department of the State of New York;

(iv) pension, retirement or profit sharing plans, trusts or systems whose investments are regulated (1) by the laws of the United States of America or the laws of any State thereof and (2) by any public agency of the United States of America or any State thereof;

(v) the Federal Home Loan Bank but only if its status as a governmental entity would give it no greater rights as a Recognized Mortgagee than the rights a non-governmental entity would have as a Recognized Mortgagee hereunder;

(vi) an investment fund, limited liability company, limited partnership or general partnership where a Permitted Fund Manager or an entity that is otherwise a Permitted and Qualified Transferee acts as the general partner, managing member or fund manager and at least 50% of the equity interests in such investment vehicle are owned, directly or indirectly, by one or more entities that are otherwise Institutional Lenders under the other sub-clauses of this definition;

(vii) a real estate investment trust which is regularly engaged in the business of making or owning commercial real estate loans or operating commercial properties;

(x) a trustee or issuer of collateralized mortgage obligations, which (A) is regularly engaged in the business of providing debt financing and (B) acts through an institutional trustee;

(xi) a religious, educational or eleemosynary institution, a federal, state, or municipal employee's welfare, benefit, pension or retirement fund, any governmental agency or entity insured by a governmental agency, a credit union, trust or endowment fund;

(xii) any brokerage or investment banking organization regularly engaged in the business of providing debt financing;

(xiii) any institutional trustee, servicer or fiduciary for the holders of bonds, notes, commercial paper or other evidence of indebtedness as part of a securitization of rated single or multi-class securities secured by, or evidencing ownership interests in, such debt;

(xiv) the Tenant named herein, or any Affiliate thereof, only in connection with any purchase money financing related to a Transfer of all or any portion of the Premises to a Permitted and Qualified Transferee in accordance with Article 10, but only if Landlord has confirmed, in its reasonable discretion, that the terms under which the purchase money financing is being undertaken are similar to the terms that would have been agreed to with an unrelated party in an arms length transaction;

(xv) any Person wholly owned by any of the entities described in clauses (i) through (xiii);

(xvi) any combination of the entities described in clauses (i) through (xiv); or

(xvii) any other Person approved by Landlord in its sole discretion.

"Insured Improvement" has the meaning provided in Section 7.1 hereof.

"ISO" has the meaning provided in Section 7.1(a)(ii) hereof.

"John Street Lot" has the meaning provided in Section 23.10(a) hereof.

"Joinder Agreement" has the meaning provided in the Preamble.

"Joint Maintenance Area" has the meaning provided in Section 14.5 hereof.

"Land" has the meaning provided in Section 2.1(a) hereof.

"Landlord" means New York City, provided, however, that if New York City or any successor to its interest hereunder transfers or assigns its interest in the Premises or its interest under this Lease, then, from and after the date of such assignment or transfer, the term Landlord shall mean the assignee or transferee and the assignor or transferor shall be, and hereby is, entirely freed and relieved of all agreements, covenants and obligations of Landlord hereunder to be performed on or after the date of such transfer or assignment, provided that the transferee or assignee under such transfer or assignment has assumed, in a written instrument (a copy of which shall be provided to Tenant), and agreed to carry out, any and all agreements, covenants and obligations of Landlord hereunder occurring from and after the date of such assignment or transfer.

"Landlord's Appraisal" has the meaning provided in Section 36.1(a) hereof.

"Landlord's Premises" means those portions of the Project Premises that are not demised or licensed to Tenant or to Museum.

"Late Charge Rate" means the Prime Rate plus one percent (1%) per annum, except where the sum on which the Late Charge Rate is being imposed is ten percent (10%) or more of the amount of the payment which should have been made or where Landlord has incurred costs in curing a Default of Tenant, in which case the Late Charge Rate shall mean the Prime Rate plus three percent (3%) per annum; provided, however, that the Late Charge Rate shall not exceed the maximum annual rate of interest which then lawfully may be charged to Tenant or by Landlord, as the case may be.

"Lease" means this amended and restated agreement of lease, all exhibits hereto and all amendments, modifications and supplements thereof.

"Lease Administrator" means EDC or such other entity designated by Landlord.

"Lease Year" means the twelve (12) month period beginning on the Commencement Date and each succeeding twelve (12) month period during the Term, provided that if the Commencement Date occurs on a date which is other than the first day of a calendar month, the first Lease Year shall be the remainder of the first (partial) calendar month and the succeeding twelve (12) full calendar months, and thereafter each Lease Year shall be each succeeding twelve (12) full calendar months.

"Leaseback" means a transaction in which Tenant's interest in this Lease is assigned and all of the Premises are subleased back to Tenant or an Affiliate of Tenant by a sublease made either concurrently with the assignment, or where such assignment is made after and subject to such sublease under which Tenant or such Affiliate of Tenant shall be required to perform and discharge all of Tenant's obligations under this Lease.

"Leaseback Subtenant" means a sublesee under a Leaseback.

"LP Sublease" has the meaning provided in the Preamble.

"Major Sublease" has the meaning provided in Section 10.2(d) hereof.

"Major Subtenant" has the meaning provided in Section 10.2(d) hereof.

"Marginal street, wharf or place" shall mean that portion of the Project Premises located between South Street and the East River, as shown on Exhibit A-1 hereto.

"Market Block" means that portion of the Project Premises designated as Block 96 on the tax map of the County of New York, further described as Parcel I in Exhibit A hereto.

"Material Alteration" means any alteration, improvement or replacement made by Tenant to the Buildings and space constituting the Premises that involves (i) the addition to or alteration of any structure so as to increase or decrease the total square footage within a structure by more than 10%; (ii) any alteration(s) of any structure(s) that would have the effect of decreasing the Gross Leasable Area contained within the Premises, in the aggregate, by more than 5% (it being understood that any reduction(s) in Gross Leasable Area, irrespective of amount, will not diminish the Base Rent payable hereunder in excess of 5% in the aggregate); (iii) the making of

any change or alteration materially or adversely affecting any facade or other exterior portion of any historic building in the Museum Block or Schermerhorn Block; (iv) the making of any change or alteration with respect to or affecting the structural elements or the structural integrity of Pier 17; or (v) an alteration whose estimated cost, as determined by a reputable contractor, or as set forth in a Construction Agreement with a reputable contractor, will be $5,000,000 or more (which amount shall be adjusted on the first day of each calendar year during the Term to take into account CPI for the immediately preceding calendar year); in each case, excluding any alteration, improvement or replacement undertaken by a Subtenant or Severance Subtenant as part of its initial fit-out of the Premises.

"Material Construction Agreement" means (i) with respect to the Initial Renovation Work, any contract or agreement entered into by Tenant pursuant to which a contractor is engaged to perform any labor or supply any service or materials, for an aggregate contract price of more than $5,000,000 and (ii) with respect to any Construction Work (other than the Initial Renovation Work), any contract or agreement entered into by Tenant pursuant to which a contractor is engaged to perform any labor or supply any service or materials, for Construction Work where (a) the estimated cost of which is more than $1,000,000, or (b) pursuant to applicable Requirements, such Construction Work cannot be commenced or completed without the issuance of a permit from the New York City Department of Buildings or the New York City Department of Small Business Services or their successor agencies or any other type of governmental approval.

"Mezzanine Financing" means either:

(a) debt financing obtained by Tenant or a Control Affiliate which is secured by a pledge of direct or indirect equity interests in the Tenant; or

(b) a direct or indirect equity investment in Tenant, the terms of which provide for (i) a specified rate of return, (ii) regular and/or guaranteed distributions to the holder thereof on specified dates or upon the occurrence of certain events, (iii) a specified date upon which such investment shall mature, either through redemption by the holder thereof, a put to or call by the Tenant or a Control Affiliate, conversion to ownership of all the equity interests in Tenant or a Control Affiliate, as the case may be, or otherwise, (iv) voting rights over major decisions and (v) remedies available to the holder thereof upon the occurrence of certain events.

"Mortgage" has the meaning provided in Section 11.1(b) hereof.

"Mortgagee" means the holder of a Mortgage.

"Museum" means the tenant under the Museum Lease.

"Museum Block" has the meaning provided in Section 2.1(c) hereof.

"Museum Lease" means that certain sublease under the City Lease, dated as of December 15, 1981, by and between Seaport Corporation, as landlord, and South Street Seaport Museum, as tenant, demising the Museum Premises and all amendments, modifications, extensions and renewals thereof.

"Museum Premises" means the portions of the Project Premises demised by the Museum Lease, collectively.

"New York State Courts" has the meaning provided in Section 42.19 hereof.

"NYCIDA" means New York City Industrial Development Agency.

"Officer's Certificate" means a certificate executed by a Qualified Certifying Party.

"Option Premises" has the meaning provided in Section 23.9(c) hereof.

"Option Premises I" has the meaning provided in Section 23.9(c) hereof.

"Option Premises II" has the meaning provided in Section 23.9(c) hereof.

"Permitted Fund Manager" means any Person that on the date of determination is (a) a nationally-recognized manager of investment funds investing in debt or equity interests relating to commercial real estate, and (b) investing through a fund with committed capital of at least Two Hundred Fifty Million Dollars ($250,000,000).

"Permitted and Qualified Transferee" has the meaning provided in Section 10.2(d) hereof.

"Person" means an individual, corporation, limited liability company, partnership, joint venture, estate, trust, unincorporated association, any federal, state, county or municipal government, or any bureau, department or agency thereof and any fiduciary acting in such capacity on behalf of any of the foregoing.

"Pier 17" means the deck, piles, substructure and other elements of the pier on that portion of the Land described as Parcel III in Exhibit A now existing or hereafter modified, erected, constructed or placed thereon and the bulkhead adjacent to said pier structure, including, without limitation, the working portion of such pier which is located on the northernmost portion of such Land, designated as such on Exhibit A-1 hereto, but excluding the platform piers under the New Market Building and Tin Building.

"Pier Consultant" means a reputable engineering inspector chosen from the list of qualified consultants attached hereto as Exhibit I, which list may be updated from time to time by Tenant with Landlord's consent, such consent not to be unreasonably withheld, conditioned or delayed.

"Pier Improvements" means all improvements erected on Pier 17, now existing or hereafter modified, erected, constructed or placed thereon.

"Pier Reports" has the meaning provided in Section 14.1(b) hereof.

"PILOST" has the meaning provided in Section 3.5 hereof.

"Plans and Specifications" means the plans and specification for the Initial Renovation Work or any Material Alteration, as applicable.

"Premises" has the meaning provided in Section 2.1 hereof.

"Premises Restoration" has the meaning provided in Section 8.1 hereof.

"Prime Rate" means the rate announced as such from time to time by J.P. Morgan Chase Bank, N.A., or its successors, at its principal office. Any interest payable under this Lease with reference to the Prime Rate shall be adjusted on a daily basis, based upon the Prime Rate in effect at the time in question, and shall be calculated on the basis of a 365-day year.

"Principal(s) of Tenant" means an officer, director, managing partner or a stockholder (if such stockholder owns twenty percent (20%) or more of the voting interest of Tenant), or any other Person possessing, directly or indirectly, the power to direct or cause the direction of the management of Tenant, whether through the ownership of voting securities, partnership interests, or by contract or otherwise; provided, that such officer, director, managing partner, stockholder or other Person is actively involved in the operation of the Premises.

"Prohibited Distinctions" has the meaning provided in Section 40.10(a) hereof.

"Project" has the meaning provided in the Preamble.

"Project Premises" shall mean, collectively, that certain area designated as Project Premises on Exhibit A-1 hereto.

"Project Streets" shall mean, collectively, the Former Streets, and the crossing over South Street between Fulton Street and Marginal street, wharf or place as shown on Exhibit A-1 hereto.

"Qualified Certifying Party" means, with respect to any Person that is a partnership or limited liability company, a member or general partner thereof, or with respect to a Person that is a corporation or limited liability company that has officers, the President, Vice President (whether Senior, Executive or otherwise), Chief Executive Officer, Chief Operating Officer, Chief Financial Officer or Treasurer of such Person.

"Qualified Contractor" means an independent and reputable licensed professional contractor that (a) possesses experience in the development and construction of projects of a size, nature and character similar to the size, nature and character of the Initial Renovation Work, in New York, New York and (b) has at least ten (10) years prior experience developing and constructing such projects.

"Qualified Manager" has the meaning provided in Section 10.2(d) hereof.

"Recognized Mezzanine Financing" means any Mezzanine Financing (i) that is provided by an Institutional Lender that is not an Unqualified Person; (ii) which shall comply with the provisions of Article 10 and Article 11; and (iii) a photostatic copy of which has been delivered to Landlord, together with a certification by Tenant and the provider of such financing confirming that the photostatic copy is a true copy of the documents evidencing the Mezzanine Financing and giving the name and post office address of the holder thereof.

"Recognized Mezzanine Lender" means a holder of Recognized Mezzanine Financing.

"Recognized Mezzanine Security Interest" means any security interest granted in connection with a Recognized Mezzanine Financing, including, without limitation, a pledge of the stock or other equity interests of a Person.

"Recognized Mortgage" has the meaning provided in Section 11.2(b) hereof.

"Recognized Mortgagee" means the holder of a Recognized Mortgage.

"Renovation Project" means the improvements, as described in Exhibit G, to be constructed and operated by Tenant at the Premises pursuant to the Initial Renovation Designs.

"Rent Adjustment Date" has the meaning provided in Section 3.2 hereof.

"Rental" means all of the amounts payable by Tenant pursuant to this Lease, including Base Rent, Additional Rent, Impositions and any other sums, costs, expenses or deposits which Tenant is obligated, pursuant to any of the provisions of this Lease, to pay or deposit.

"Replacement Value" has the meaning provided in Section 7.11(a) hereof.

"Reporting Period" has the meaning provided in Section 40.9(a).

"Required Disclosure Statement" means a disclosure statement in the form of Exhibit J — "Form of Required Disclosure Statement".

"Requirements" has the meaning provided in Section 16.1(a)(i) hereof.

"Restore" has the meaning provided in Section 9.2 hereof.

"Restoration Funds" means (a) any moneys that may be received by Depositary pursuant to the provisions of Sections 7.2(a) or Section 9.2 hereof, together with the interest, if any, earned thereon, and (b) the proceeds of any security deposited with Depositary pursuant to Section 8.5 hereof, together with the interest, if any, earned thereon.

"Restrictive Declaration" means that certain Restrictive Declaration dated as of June 27, 2013 and entered into by and between the City of New York and SSSLP.

"Sales Taxes" means the New York City and New York State sales and/or compensating use taxes imposed pursuant to Sections 1105, 1107, 1109 and 1110 of the New York State Tax Law, as each of the same may be amended from time to time (including any successor provisions to such statutory sections).

"Scheduled Completion Date" means, with respect to the Initial Renovation Work, a date that is no later than March 31, 2016, and with respect to other Material Alteration, a date reasonably acceptable to Landlord.

"Schermerhorn Block" means that portion of the Project Premises designated on the tax map of the County of New York as Block 74, and as shown on Exhibit A hereto.

"Severable Premises" means each of the following: (a) each Anchor Premises, (b) the Upland Premises and (c) Pier 17.

"Severance" has the meaning provided in Section 10.8 hereof.

"Severance Lease" has the meaning provided in Section 10.8 hereof.

"Severance Subtenant(s)" means a tenant under a Severance Lease.

"SMI" has the meaning provided in the Preamble.

"SRC" has the meaning provided in the Preamble.

"SSSC" has the meaning provided in the Preamble.

"SSSLP" has the meaning provided in the Preamble.

"State" has the meaning provided in the Preamble.

"Street Furniture" means tables, chairs, umbrellas and such other similar objects now existing or hereafter placed in the exterior portions of the Project Premises to serve visitors to the Project.

"Sublease(s)" has the meaning provided in Section 10.2(d) hereof.

"Substantial Completion" or "Substantially Complete(d)" means, with respect to the Initial Renovation Work and any Material Alteration, that: (a) the Governmental Authority having jurisdiction over the Premises has issued a temporary certificate (or certificates) of occupancy or completion, or chairman's certificate with respect to waterfront zoning as the case may be, for the Premises; (b) all utilities are connected; (c) Tenant may use and occupy the Premises for the use and purpose authorized by this Lease; (d) all work has been completed substantially in accordance with the Approved Plans and Specifications, all systems of the Premises are operating and such work and systems have been accepted by Tenant (as evidenced by controlled inspection reports to be submitted by Tenant to Landlord, if such type of work is customarily subjected to testing under controlled conditions), except for minor repairs, corrections, and adjustments of a "punch list" nature which can be completed promptly and with minimal interference to the occupancy and use of the Premises by Tenant; and (e) any three (3)

of the Architect, Tenant, the Contractor and Landlord, acting reasonably, have approved in writing a final punch list of such minor repairs, corrections and adjustments.

"Substantially All of the Premises" has the meaning provided in Section 9.1(c)(i) hereof.

"Subtenant(s)" has the meaning provided in Section 10.2(d) hereof.

"Taxes" means the real property taxes assessed and levied against the Premises or any part thereof (or, if the Premises or any part thereof or the owner or occupant thereof is exempt from such real property taxes then the real property taxes which would be so assessed and levied if not for such exemption) pursuant to the provisions of Chapter 58 of the Charter of New York City and Title 11, Chapter 7 of the Administrative Code of New York City, as the same may now or hereafter be amended, or any statute or ordinance in lieu thereof in whole or in part.

"Tax Year" means each tax fiscal year of New York City.

"Tenant" means South Street Seaport Limited Partnership, or any assignee or other successor in interest (immediate or remote) of the tenant named herein, which at the time in question is the owner of the leasehold estate and interest granted by this Lease as permitted under Article 10 of this Lease.

"Tenant's Appraisal" has the meaning provided in Section 36.1(b) hereof.

"Tenant Liabilities" has the meaning provided in Section 20.1 hereof.

"Tenant Restoration" has the meaning provided in Section 8.3 hereof.

"Term" means, collectively, the Initial Term and the Extended Terms, if any.

"Termination Date" has the meaning provided in Section 2.2(a) hereof.

"Terrorism Policy" has the meaning provided in Section 7.8 hereof.

"Third Appraisal" has the meaning provided in Section 35.1(c) hereof.

"Tin Building" means the Building now or hereafter erected on the portion of the Project Premises designated as such on Exhibit A-1 hereto.

"Titanic Park" shall mean that portion of the block designated on the tax map of the County of New York as Block 95, lot 101, which is located within the Project Premises, and as shown on Exhibit A-1 hereto.

"Title Matters" means those certain exceptions to title disclosed on Exhibit B hereto.

"Transfer" has the meaning provided in Section 10.2(d) hereof.

"Transferee" has the meaning provided in Section 10.2(d) hereof.

"Trade Fixture(s)" means the personal and other property (including, but not limited to, furniture, inventory, machinery, equipment, vehicles, vessels and operating facilities) of or utilized by Tenant or any Subtenant in its trade or business on or at the Premises except for any such property that constitutes Initial Renovation Work.

"Unavoidable Delays" means actual delays in the performance of obligations of Tenant due to causes beyond Tenant's reasonable control, including, without limitation, delays resulting from (i) governmental restrictions, limitations, regulations or controls (provided that such are other than ordinary restrictions, limitations, regulations or controls), (ii) orders of any court of competent jurisdiction (including, without limitation, any litigation which results in an injunction or a restraining order prohibiting or otherwise delaying the continuation of construction of the Project), (iii) extraordinary delay in obtaining any license, clearance or other authorization of any kind required to enter, use, perform work on or restore the Premises issued by any Governmental Authority having jurisdiction over the Premises, (iv) strikes, lockouts, work stoppages due to labor disputes, (v) acts of God (including severe weather conditions), enemy action, civil commotion, fire or acts of terrorism, newly enacted or adopted Requirements, accident, contractor bankruptcy (except where the contractor is an Affiliate of Tenant), failure of transportation, shortages or inability to obtain labor, fuel, steam, water, electricity or materials, casualty, which are not attributable to the improper acts or omissions of Tenant. Delay resulting from any of the following shall in no event constitute Unavoidable Delay: (A) failure to obtain or timely obtain financing, (B) removal of Hazardous Substances or (C) the inability to (1) pay a sum of money or (2) obtain or timely obtain any approval or cooperation of a mortgagee. Tenant shall provide Landlord with written notice of any Unavoidable Delays as soon as practicable after the occurrence thereof, but in no event later than twenty (20) days thereafter, provided that if Landlord does not notify Tenant, within twenty (20) days of delivery of such notice from Tenant, that Landlord objects to such occurrence being considered an Unavoidable Delay, then such occurrence shall be deemed an Unavoidable Delay. In no event shall Unavoidable Delays with respect to the Construction Commencement Date and the Scheduled Completion Date together aggregate more than five (5) years.

"Unqualified Person" means any Person (a) (1) that is in default or in breach, beyond any applicable grace period, of its obligations under any material written agreement with the City or

(2) that directly or indirectly controls, is controlled by, or is under common control with a person that is in default or in breach, beyond any applicable grace period, of its obligation under any material written agreement with the City in each case unless such default or breach has been waived in writing by the entity with which such agreement was made; or (b) (1) that has been convicted of a misdemeanor related to truthfulness and/or business conduct, or (2) that directly or indirectly controls, is controlled by, or is under common control with a person that has been convicted of a misdemeanor related to truthfulness; or (c) any Person that is in default in the payment to the City of any real estate taxes, sewer rents or water charges totaling more than Ten Thousand Dollars ($10,000) and has been given written notice of such default (or any person that directly controls, is controlled by, or is under common control with a person in such default, other than any officer, director or senior employee of such Person), unless such default is then being contested in good faith in accordance with the law or an agreed payment plan has been approved by the office of the City's Commissioner of Finance; or (d) has not (including the officers and principals of any entity having an ownership interest in Transferee in excess of 10 percent) successfully completed the City's "VENDEX" background questionnaire.

"Upland Premises" means that portion of the Premises located in the Market Block, the Museum Block and the Schermerhorn Block.

"Value Date" has the meaning provided in Section 7.11 hereof.

"Zoning Resolution" means the zoning resolution of the City, as amended, modified or supplemented from time to time.

ARTICLE 2

DEMISE OF PREMISES AND TERM OF LEASE

Section 2.1 Demise of Premise. Landlord, for and in consideration of the Rental to be paid and all of the terms, covenants and agreements hereinafter set forth, to be kept, observed and performed by Tenant, does hereby demise and lease to Tenant and Tenant does hereby hire and take from Landlord, subject to the terms, covenants, conditions (including title conditions), exceptions and reservations hereof, and the Exhibits annexed hereto and made a part hereof:

(a) all those certain plots, pieces and parcels of land (collectively, the "Land"), located in the Borough of Manhattan, City, County and State of New York, as more particularly bounded and described as Parcel I and Parcel III in Exhibit A annexed hereto and made a part hereof, and outlined on a plan of the Project Premises annexed hereto as Exhibit A-1 and made a part hereof;

(b) all Buildings now or hereafter erected on the Land;

(c) that certain space in the Buildings located in the Museum Block (which Block is bounded and described as Parcel II in Exhibit A hereto and is referred to herein as the "Museum Block"), and all Equipment now or hereafter located therein, as outlined on the floor plans annexed hereto as Exhibit A-2 and made a part hereof;

(d) that certain space in the Buildings located in the Schermerhorn Block (which Block is bounded and described as Parcel IV in Exhibit A hereto), and all Equipment now or hereafter located therein, as outlined on the floor plans annexed hereto as Exhibit A-3 and made a part hereof;

(all of the foregoing being herein collectively referred to as the "Premises").

TOGETHER WITH the right, privilege and license to use, for commercial purposes, the Commercial Areas, as authorized by Resolution of the Board of Estimate adopted at a meeting held on July 21, 1983 (Calendar No. 14) (the "Demapping Resolution"), a copy of which is annexed hereto as Exhibit C and made a part hereof, subject, however, to the terms, conditions, limitations, reservations, easements and obligations set forth in the Demapping Resolution and in Exhibit C annexed hereto and made a part hereof; and

TOGETHER ALSO WITH all easements, appurtenances and other rights and privileges now or hereafter belonging or appertaining to the above described Land, Buildings and space; and

TOGETHER ALSO WITH the non-exclusive easements, in common with others, for the benefit of Tenant, the Subtenants, the Severance Subtenants and their respective employees, agents, contractors, guests, customers and invitees:

(a) on, over and across the surface of the portion of Marginal street, wharf or place located within the Project Premises, (i) for pedestrian access to the Pier 17 Improvements, (ii) for (1) loading and unloading and temporary vehicular parking on the northernmost portion of Pier 17 and in the loading area located between the Pier 17 Improvements and the Tin Building, and (2) vehicular ingress and egress over the roads, alleys and/or driveways providing access to the northernmost portion of Pier 17 and said loading area; (iii) for occasional promotional activities similar to the activities permitted in the Former Streets under Section 8.02 of the Improvement Agreement and (iv) to allow the development and maintenance of a landscaped open space area thereon;

(b) for access, ingress and egress to and from those portions of the Premises that are located in the upper floors of the Buildings or interior courtyards or other common areas and spaces situate on the Museum Block and the Schermerhorn Block, by means of, among other facilities, doorways, entrances, exits, lobbies, stairways, corridors and elevators within or

appurtenant to said Buildings; and for pedestrian and vehicular access to and from the loading dock at the rear of No. 4 Fulton Street over the service drive located on the westerly side of the vacant site at the corner of South Street and Burling Slip, or as the same may be relocated, and through any Building hereafter constructed on said site leading to and from said loading dock; and

(c) on, over and across the surface of the Former Streets for pedestrian access to and from the Project Premises and abutting public streets, subject, nevertheless, to the terms, conditions, limitations, reservations, easements and obligations set forth in the Demapping Resolution and Exhibit C hereto; provided that the Former Streets may be used (i) for the operation, maintenance, repair and replacement and (after consultation with Tenant) the construction and relocation of underground utilities, subways and other such subsurface improvements, and also for access by emergency and service vehicles to the extent necessary, (ii) for access to the elevated portion of the Franklin Delano Roosevelt Drive for necessary repair and maintenance; except that Landlord shall not grant rights in the Former Streets similar to those granted to the Museum under the Museum Lease or to Tenant hereunder, and shall not grant any other rights, permits or licenses (other than underground utility and subway easements and franchises) respecting the use of the surface of the Former Streets, to any other entity or individual unless the Museum and Tenant shall have consented thereto; and

(d) on, over and across those areas of the Project Premises not forming part of the Premises that are included in the Joint Maintenance Area for the purpose performing Tenant's maintenance obligations as provided herein.

TOGETHER ALSO WITH the right to maintain existing encroachments over portions of the Former Streets, or encroachments over Former Streets created by construction of any Buildings in accordance with plans and specifications approved by Landlord, including canopies extending over Former Streets from any part of the Buildings located on the Market Block; and

SUBJECT ALSO TO a non-exclusive easement, in common with others, hereby reserved for the benefit of Landlord, Landlord's tenants (direct and indirect) and their respective employees, agents, contractors, guests, customers and invitees, for access, ingress and egress to and from those portions of Landlord's Premises that are located in the upper floors of the Buildings or interior courtyards or other common areas and spaces, situate on the Museum Block and the Schermerhorn Block by means of, among other facilities, doorways, entrances, exits, lobbies, stairways, corridors and elevators within or appurtenant to said Buildings; and

SUBJECT ALSO TO the Title Matters; and

SUBJECT ALSO to a non-exclusive easement, in common with others, hereby reserved for the benefit of Landlord, Landlord's tenants (direct and indirect) and their respective

employees, agents, contractors, guests, customers and invitees, for access, ingress and egress to and from the Esplanade Project once the same has been constructed; and

EXCEPTING ALSO from the Premises hereby demised and the appurtenances, rights, and privileges now or hereafter belonging or appertaining thereto (i) all oil, gas, gold, silver and all other mineral rights under, through or upon the Premises or its appurtenances, (ii) the right to explore for the same or to grant to others leases, licenses or other rights thereto, and (iii) all issues, profits, royalties, fees or compensation of any kind derived from any of the foregoing.

Section 2.2 Initial Term and Extended Terms.

(a) Initial Term. The initial term of this Lease shall be for a term of years (the "Initial Term") commencing as of December 15, 1981 (the "Commencement Date"), and expiring at 11:59 p.m. on December 30, 2031 (the "First Expiration Date"), or such earlier date upon which this Lease may be terminated as hereinafter provided (as the same may be extended pursuant to Section 2.2(b), the "Termination Date").

(b) Extended Terms. At the expiration of the Initial Term, if this Lease shall then be in full force and effect and there shall not then exist any Event of Default hereunder, Tenant shall have the option to extend this Lease for up to two (2) consecutive extended terms ("Extended Term(s)") of twenty one (21) years and twenty (20) years, respectively, to commence upon the expiration of the Initial Term or immediately preceding Extended Term, as the case may be, but in no event shall the Term of this Lease, inclusive of all Extended Terms, extend beyond December 30, 2072 (the "Final Expiration Date"). Any Extended Term shall be on the same terms and conditions of this Lease, except (i) there shall be no right to any Extended Term other than the two (2) consecutive Extended Terms as set forth above in this paragraph, and (ii) the Base Rent shall be adjusted as set forth in Section 3.2(a) hereof. Such option for the first or second Extended Term, as the case may be, may be exercised by Tenant's delivering written notice to Landlord of the exercise thereof ("Extension Notice"), such written notice to be delivered at least twelve (12) months prior to the date on which the Term, but for the exercise of such Extended Term option, would otherwise expire.

Section 2.3 Premises "AS IS".

Tenant (a) has examined the physical condition of the Premises prior to the execution and delivery of this Lease, and agrees to accept the Premises in its "AS IS" condition (including, without limitation, as to the presence of Hazardous Substances), and without any representations or warranties of any kind or nature by Landlord, except as otherwise provided herein, (b) will not make any claim that the Premises is not suitable for the uses set forth in this Lease, and (c) except to the extent of any obligations of Landlord under this Lease, will not at any time make any claim regarding the condition of the Premises. In the event that it is determined at any time during the Term that Hazardous Substances are present in the Premises (or any portion thereof), Tenant shall remediate and clean up such Hazardous Substances in full compliance with all applicable laws at its sole cost and expense.

ARTICLE 3

RENT

Section 3.1 Time and Place of Payment. Except as otherwise specifically provided herein, all Rental shall be paid to Landlord, without notice or demand, by, at the election of Tenant (i) good checks drawn on an account at a bank that is a member of the New York Clearing House Association (or any successor body of similar function) or in currency that at the time of payment is legal tender for public and private debts in the United States of America, at the office of Landlord set forth above or at such other place as Landlord shall direct by notice to Tenant (with a copy concurrently sent to any Recognized Mortgagee), or (ii) by wire transfer(s) of immediately available funds to account(s) at a bank(s) that is a member of the New York Clearing House Association (or any successor body of similar function) designated by Landlord in writing. The foregoing requirement to pay Rental without notice or demand shall not limit Tenant's rights to cure a failure to pay Rental as provided in Section 24.1(a) hereof. In no event shall the payment of Rental be subject to Unavoidable Delay.

Section 3.2 Base Rent.

(a) Base Rent Payments. Commencing on July 1, 2013 (the "Amendment Commencement Date") and thereafter throughout the Term, Tenant shall pay Landlord annual rent in the amount of One Million Two Hundred Thousand Dollars ($1,200,000), increased on each anniversary of this Lease by three percent (3%), compounded annually (subject to adjustment as provided in subsection (b) below, "Base Rent"), in equal monthly installments, payable in advance on the first day of the month for which such monthly installment of Base Rent is due.

(b) Reappraisals. The Base Rent shall be adjusted, effective on the thirty-fifth (35th) anniversary of the Amendment Commencement Date (the "Rent Adjustment Date") to reflect an appraisal of the Premises to be conducted no more than six (6) months prior to the Rent Adjustment Date so that the amount of Base Rent payable by Tenant as of the Rent Adjustment Date shall be the higher of (i) the Base Rent amount payable in accordance with subsection (a) above immediately preceding the Rent Adjustment Date and (ii) the fair market rent determined by multiplying the land value set forth in said appraisal by six percent (6%). Land value, for the purposes of this paragraph, shall be determined by an appraisal of the fee interest in the Land, considered as unimproved and as unencumbered by this Lease, but taking into consideration (i) the restrictions on use imposed on Tenant in this Lease, (ii) the Tenant's obligation to pay the Esplanade Payments, (iii) the Tenant's maintenance obligations as set forth in Article 14, (iv) any Excess Development Rights which may be utilized by Tenant pursuant to the provisions of this Lease, whether now existing or hereafter created by Tenant and (v) Landlord's obligations set forth in Section 4.4 regarding Taxes. The scope of said appraisal shall be prepared by Lease Administrator in accordance with its policies and reviewed and approved by Tenant, in its reasonable discretion. Such appraisal shall be conducted in the manner provided in Article 36 hereof. Following a readjustment of the Base Rent as provided in this subsection, the Base Rent

shall continue to escalate annually at the rate of 3%, compounded annually on each anniversary of this Lease.

Section 3.3 Additional Rent. In addition to the Base Rent payable hereunder, commencing on the Amendment Commencement Date and thereafter throughout the Term, Tenant shall pay to Landlord as Additional Rent under this Lease, the amount of $210,000 (the "Esplanade Payment"), which amount shall be increased on the first day of each subsequent Lease Year to an amount equal to the product obtained by multiplying the Esplanade Payment in the immediately preceding Lease Year by the sum of one and the CPI Increase. Tenant shall pay the Esplanade Payment in equal monthly installments, payable in advance on the first day of the month for which such monthly installment of Additional Rent is due.

Section 3.4 Rent Credit. In consideration of Tenant undertaking the commencement of the Initial Renovation Work in accordance with Article 13 hereof, the amount of Base Rent that Tenant is otherwise required to pay shall be reduced by an aggregate amount of One Million Five Hundred Thousand Dollars ($1,500,000); provided that the total amount of Base Rent payable by Tenant for each Lease Year shall in no event equal less than Six Hundred Thousand Dollars ($600,000). The reduction in Base Rent contemplated by this Section 3.4 shall be accomplished, subject to the preceding sentence, by reducing the amount of the monthly installments of Base Rent payable by Tenant (but in no event shall any monthly installment of Base Rent be less than Fifty Thousand Dollars ($50,000)), commencing with the first monthly installment due after the Construction Commencement Date and continuing until the date (the "**Credit End Date**") that is the earlier of: (i) the date that the aggregate amount of reductions equal One Million Five Hundred Thousand Dollars ($1,500,000), or (ii) the date that is thirty (30) months after Construction Commencement. Anything in this Section 3.4 notwithstanding, Tenant shall not be entitled to a reduction in the installment of Base Rent payable in any month that an Event of Default exists, but if said Event of Default is cured before the Credit End Date, then Tenant shall be entitled to continue reducing the installments of Base Rent in accordance with this Section 3.4, commencing with the installment of Base Rent first due after the date of such cure and continuing until the Credit End Date.

Section 3.5 PILOST.

(a) Other than in connection with the Initial Renovation Work and any initial fit-out work performed either by Tenant, on behalf of any Subtenants, or by any Subtenants (collectively, the "Exempt Work"), to the extent that, as a result of Landlord's fee ownership of the Premises, pursuant to applicable Requirements, there are no Sales Taxes payable with respect to materials purchased that are to be incorporated into the Premises in connection with Construction Work or otherwise, Tenant shall pay to Landlord payments in lieu of Sales Taxes ("PILOST") in an amount equal to the amount of any Sales Taxes which would have been due and payable by Tenant or any other Person claiming through or under Tenant, but for Landlord's fee ownership of the Premises and/or materials purchased to be incorporated therein. Sales Taxes assessed after the Amendment Commencement Date in connection with any Construction Work, other than the Exempt Work, whether paid or incurred by Tenant or any other Person claiming through or under Tenant, and the amount of the exemption from Sales Taxes realized, shall be set forth and certified as being true and accurate to the best knowledge of an authorized

signatory in an Officer's Certificate delivered by Tenant to Landlord together with detailed supporting evidence and documentation reasonably satisfactory to Landlord. Such Officer's Certificate shall be delivered quarterly throughout the Term in addition to any other certificate or report that may be required pursuant to this Lease. Any payment of PILOST that may be due shall be delivered by Tenant in accordance with Section 3.1 at the same time that the applicable Officer's Certificate is delivered.

(b) In connection with claiming an exemption from Sales Taxes, Tenant, any construction manager and any Contractors shall be required to comply with all Requirements applicable to them, including the filing and use of any applicable forms issued by applicable Governmental Authorities. Should a letter from Landlord be required in order to realize said claimed exemption, then Landlord shall furnish such a letter in a form customary to Lease Administrator at Tenant's request, subject to Requirements. If Tenant or any of Tenant's Construction Manager or Contractors shall be required to pay Sales Taxes on some or all of the tangible personal property purchased in connection with Construction Work because the New York State Department of Taxation and Finance or the New York City Department of Finance makes a determination that an exemption is not available with respect to a particular transaction, (i) neither Landlord nor Lease Administrator shall have any liability therefor and (ii) Tenant, construction manager or Contractors shall pay all such amounts to the extent due together with all interest and penalty charges imposed thereon.

(c) Anything to the contrary in this Section 3.5 notwithstanding, until the termination of that certain agreement, dated December 15, 1981 (the "Trust Agreement") among New York City Public Development Corporation, the City, The South Street Seaport Corporation and Seaport Marketplace, Inc. regarding the creation of a trust fund with regard to PILOST, Tenant shall continue to pay PILOST in accordance with said agreement. Landlord and Tenant acknowledge and agree that notwithstanding anything contained in the Trust Agreement to the contrary, none of the Exempt Work constitutes a "Marketplace Construction Obligation", "Capital Improvement", "Restoration" or "repair" as defined and referred to in Section 2.01(b) of the Trust Agreement and the provisions of Section 2.01(k) thereof shall not apply to any Exempt Work performed by a Subtenant.

Section 3.6 Abatement, Deduction, Counterclaim and Offsets. It is the intention of Landlord and Tenant that, except as provided in Section 3.3 and Section 4.4 of this Lease (a) Rental be absolutely net to Landlord without any abatement, diminution, reduction, deduction, counterclaim, setoff or offset whatsoever, so that each Lease Year of the Term shall yield, net to Landlord, all Rental, and (b) Tenant pay all costs, expenses and charges of every kind relating to the Premises that may arise or become due or payable during or after (but attributable to a period falling within) the Term.

Section 3.7 Acceptance of Partial Payments; No Waiver. The acceptance by Landlord or its agent or any other Person entitled thereto of any partial payment of Base Rent or Rental or any other amount payable by Tenant hereunder, of the failure by Landlord or its agent to enforce any provision of this Lease shall not be considered a waiver of any of Landlord's rights either under this Lease, at law or in equity.

ARTICLE 4

IMPOSITIONS

Section 4.1 Payment of Impositions.

(a) Obligation to Pay Impositions. Tenant shall pay, in the manner provided in Section 4.1(c) hereof, all Impositions that at any time thereafter during the Term are, or, if the Premises or any part thereof were not owned by the City, would be assessed, levied, confirmed, imposed upon, or would grow out of, become due and payable out of, or with respect to, or would be charged with respect to the ownership, leasing, operation, use, occupancy and possession of (i) the Premises or any part thereof, or (ii) the sidewalks or streets in front of or adjoining the Premises or any part thereof, or (iii) any vault, passageway or space in, over or under such sidewalk or street, or (iv) any other appurtenances of the Premises or any part thereof, or (v) any personal property or other facility used in the operation of the Premises, or (vi) the Rental (or any portion thereof) of any other amount payable by Tenant hereunder, or (vii) any documents to which Tenant is a party creating or transferring an interest or estate in the Premises or any portion thereof, except any discriminatory imposition which shall be levied against Tenant or the Premises.

(b) "Imposition(s)" means:

(i) Taxes;

(ii) real property general and special assessments (including, without limitation, any special assessments for or imposed by any business improvement district or by any special assessment district) other than Taxes;

(iii) personal property taxes;

(iv) occupancy and rent taxes assessed against Tenant;

(v) water, water meter and sewer rents, rates and charges;

(vi) license and permit fees;

(vii) service charges with respect to police protection, fire protection, street and highway construction, maintenance and lighting, sanitation and water supply which affect the Premises;

(viii) except for Taxes, any other governmental levies, fees, rents, assessments or taxes and charges, general and special, ordinary and extraordinary, foreseen and unforeseen, of any kind whatsoever; and

(ix) any fines, penalties and other similar governmental charges applicable to the foregoing, together with any interest or costs with respect to the foregoing, incurred by reason of Tenant's failure to make any payments as herein provided.

(c) Payments of Impositions. Subject to the provisions of Section 35.2 hereof, during the Term, Tenant shall pay, or cause to be paid, each Imposition or installment thereof not later than the due date thereof. However, if by law, at the taxpayer's option, any Imposition may be paid in installments (whether or not interest shall accrue on the unpaid balance of such Imposition), Tenant may exercise the option to pay the Imposition in such installments and shall be responsible for the payment of such installments with interest, if any, imposed thereon. If Tenant fails twice to make any payment of an Imposition (or installment thereof) on or before the due date thereof, subject to Tenant's right to contest any such payment pursuant to Article 35 hereof, Tenant shall, at Landlord's request, be required, for a period of two (2) years following the second such failure, to pay all Impositions or installments thereof thereafter payable by Tenant not later than ten (10) days before the due date thereof.

(d) Income or Franchise Tax of Landlord. Tenant shall not be required to pay any municipal, state or federal corporate income or franchise tax imposed upon Landlord, whether based upon the income or capital of Landlord; nor shall Tenant be required to pay any municipal, state or federal inheritance, estate, succession, transfer or gift taxes of Landlord.

Section 4.2 Evidence of Payment. Upon written request of Landlord, Tenant shall furnish to Landlord, within ten (10) Business Days following the date such Imposition is due and payable, official receipts of the appropriate taxing authority or other proof reasonably satisfactory to Landlord, evidencing the payment of any Impositions.

Section 4.3 Apportionment of Imposition. Any Imposition relating to a fiscal period of the taxing authority, a part of which is included within the Term and a part of which is included in a period of time before the Commencement Date or after the Termination Date, shall be apportioned between Landlord and Tenant as of the Commencement Date or the Termination Date (unless the Termination Date has occurred as a result of an Event of Default, in which case Tenant shall not be entitled to an apportionment) so that Tenant shall pay that portion of such Imposition which that part of such fiscal period included in the Term bears to the fiscal period of the taxing authority.

Section 4.4 Landlord's Obligations. Notwithstanding the provisions of Section 4.1(c) hereof, provided the City shall be Landlord, Landlord shall pay on or before the due date thereof (which may be by bookkeeping entry, interdepartmental direction or other manner or procedure selected by Landlord), cancel or otherwise satisfy and discharge of record any and all Taxes that may become due and payable during the Term. If the City shall cease to be Landlord, (i)

Landlord shall pay the Taxes that may become due and payable during the Term on or before the date on which any fine, penalty, interest or cost may be added thereto or imposed by law for the non-payment thereof and (ii) if Landlord shall have failed to pay the Taxes as required hereunder, then if Tenant shall give notice to Landlord of such failure and such failure shall continue for thirty (30) days after the giving of such notice, Tenant may (but shall be under no obligation to) pay such Taxes and any fine, penalty, interest or cost with respect thereto, and thereupon, if Landlord shall fail to reimburse Tenant for such payment within fifteen (15) days following Tenant's demand therefor, which demand shall be accompanied by official receipts of the appropriate taxing authorities evidencing such payment, Tenant-may offset from its next succeeding payment(s) of Rental together with interest thereon at the Late Charge Rate.

ARTICLE 5

DEPOSITS FOR IMPOSITIONS AND INSURANCE PREMIUMS

Section 5.1 Deposits.

(a) Tenant's Obligations to Make Deposits. Unless Tenant is already making such deposits with a Depositary in conformance with the requirements of a Recognized Mortgage, in which event the provisions of this Article shall not apply, upon Landlord's demand made at any time after the occurrence of two Events of Default with respect to a monetary obligation under this Lease in excess of $500,000 within any consecutive twelve (12) month period, Tenant shall deposit with Depositary on the first day of each month during the remainder of the Term an amount equal to (i) in the case of Impositions, one-twelfth (1/12) of the amount of the annual Impositions and (ii) in the case of insurance premiums, one-twelfth (1/12) of the annual premiums for the insurance coverage required to be carried or caused to be carried by Tenant pursuant to the provisions of Article 7. If, at any time, the moneys so deposited by Tenant shall be insufficient to pay in full the next installment of Impositions, Tenant shall, not later than the date which is ten (10) days prior to the due date of the Imposition deposit the amount of the insufficiency with Depositary.

(b) Depositary's Obligations. Unless Tenant is already making such deposits with a depositary in compliance with a Recognized Mortgage, Depositary shall place all moneys deposited pursuant to the provisions of this Section 5.1 in a special interest-bearing account in the name of Tenant (but pledged to Landlord) in a savings or commercial bank or in city, state or federal government obligations to be used by Depositary to pay the Impositions and insurance premiums for which such amounts were deposited. Depositary shall apply the amounts deposited and the interest earned thereon to any (i) such Impositions not later than the last day on which any such Imposition may be paid without penalty or interest and (ii) such premiums not later than the last day on which such premiums may be paid without penalty, interest or cancellation of the subject policies. Upon the occurrence of an Event of Default, Depositary shall apply such deposits to the payment of the Impositions or premiums next due, unless this Lease has been terminated and a new lease has not been entered into, or this Lease has not been continued, with a Recognized Mortgagee, in which event Depositary shall apply such deposits at

the direction of Landlord to any of Tenant's obligations under this Lease. Interest earned on such deposits shall be applied to the next required deposit.

(c) Increase of Deposits. If the amount of any Imposition or insurance premium is increased, Tenant shall, within ten (10) days of receipt of notice of such increase, increase the amount of such monthly deposits so that sufficient moneys for the payment of such Imposition or insurance premium shall always be available to pay such Imposition or insurance premium at least ten (10) days before the Imposition or insurance premium, as applicable, becomes due and payable, as the case may be.

(d) Determination of Sufficiency of Deposits. For the purpose of determining whether Depositary has on hand sufficient moneys to pay an Imposition or insurance premium, deposits for each category of Imposition or insurance premium shall be treated separately. Depositary shall not be obligated to use moneys deposited for the payment of an Imposition or an insurance premium not yet due and payable for the payment of an Imposition or insurance premium that is due and payable.

(e) Return of Deposits. If the Event of Default that gave rise to Landlord's demand for Tenant to make deposits for Impositions or insurance premiums under the provisions of Section 5.1(a) hereof has been cured by Tenant and, for a period of twelve (12) consecutive months following such cure, no Event of Default with respect to any monetary obligation of Tenant under this Lease has occurred that has not been cured within the applicable grace period, then, at any time after the expiration of such twelve (12) month period, upon demand by Tenant and provided no Event of Default with respect to any monetary obligation of Tenant under this Lease then exists, Landlord shall cause Depositary to return to Tenant all unexpended moneys then held by Depositary pursuant to the provisions of Sections 5.1(a) and (c) hereof, with accrued interest thereon which shall not have been applied by Depositary pursuant to the provisions of this Article 5. Thereafter, Tenant shall not be required to make any deposits required by this Article 5 unless and until there shall occur within a twelve (12) month period two (2) subsequent Events of Default with respect to any monetary obligation of Tenant under this Lease and Landlord has demanded of Tenant to make such deposits.

(f) Deposits with Recognized Mortgagee. In the event that a Recognized Mortgagee shall require Tenant to deposit funds to insure payment of Impositions or insurance premiums, the same shall be credited against any amounts required to be deposited under this Article 5. The disposition of such amounts shall be governed by the Recognized Mortgage pursuant to which the same are deposited with such Recognized Mortgagee, provided that Tenant shall notify Landlord, or cause the Recognized Mortgagee to immediately notify Landlord, of any disbursement of deposited funds, and, to the extent such funds are applied by the Recognized Mortgagee to payments other than Impositions or insurance premiums, within five (5) Business Days after demand by Landlord, Tenant shall restore sufficient funds to the account to satisfy the requirements of Sections 5.1(a) and (c) hereof.

Section 5.2 Effect of Sale or Transfer of Premises By Landlord. In the event of Landlord's sale or transfer of the Premises, Depositary shall continue to hold any moneys deposited with it pursuant to the provisions of Sections 5.1(a) and (c) hereof and shall transfer such deposits to a special account with such Depositary established in the name of the Person who acquires the Premises and becomes Landlord for the purposes provided in the applicable provisions of this Lease. Upon such sale or transfer, the transfer of such deposits and notice thereof to Tenant, Landlord shall be deemed to be released to the extent of the deposits so transferred from all liability with respect thereto and Tenant shall look solely to the Depositary and the new Landlord with respect thereto. Landlord shall promptly deliver to Tenant a copy of the instrument of transfer to the new Landlord. The provisions of this Section shall apply to each successive transfer of such deposits.

Section 5.3 Effect of Termination. Upon the Expiration of the Term, if this Lease shall terminate, or the Term shall terminate or expire and a new lease shall not be entered into, or this Lease shall not be continued, with a Recognized Mortgagee, all deposits then held by Depositary, together with the interest, if any, earned thereon shall be applied by Landlord on account of any and all sums due under this Lease and the balance, if any, remaining thereafter with the interest, if any, earned thereon and remaining after application by Landlord as aforesaid, shall be returned to Tenant or, if there shall be a deficiency, Tenant shall pay such deficiency to Landlord on demand, subject to the provisions of Section 42.18 hereof.

ARTICLE 6

LATE CHARGES

If (i) any payment of Base Rent or PILOST is not paid within fifteen (15) calendar days of notice from Landlord, or (ii) any other Rental payment hereunder is not paid with ten (10) Business Days of notice from Landlord, a late charge on the sum so overdue, calculated at the Late Charge Rate from the date such Rental first becomes due to the date on which actual payment of the sum is received by Landlord, shall become due and payable to Landlord as liquidated damages for the administrative costs and expenses incurred by Landlord by reason of Tenant's failure to make prompt payment. Tenant shall pay Landlord, within ten (10) Business Days after demand, which may be made from time to time, all late charges. No failure by Landlord to insist upon the strict performance by Tenant of its obligations to pay late charges shall constitute a waiver by Landlord of its right to enforce the provisions of this Article 6 in any instance thereafter occurring. The provisions of this Article 6 shall not be construed in any way to extend the grace periods or notice periods provided for in Article 24 hereof.

ARTICLE 7

INSURANCE

Section 7.1 Insurance Requirements.

(a) At all times during the Term (unless otherwise provided below), Tenant, at its sole cost and expense, shall carry or cause to be carried and maintained insurance coverage of the following types and limits:

(i) Commercial General Liability Insurance. Commercial general liability insurance written on Insurance Services Office ("ISO") coverage form CG0001 or its equivalent with respect to the Premises and the Improvements and the operations related thereto, whether conducted on or off the Premises, in an amount of not less than ten million dollars ($10,000,000) per occurrence and (subject to Section 7.6 hereof) eleven million dollars ($11,000,000) annual per location aggregate, designating Tenant as named insured and Landlord, AIDC and Lease Administrator as additional insureds. Such insurance shall meet all of the standards, limits, minimums and requirements described in Section 7.7.

(ii) Property Insurance. Property insurance covering all of the Buildings (the "Insured Improvements") now or hereafter forming a part of the Premises, including Pier 17, except for those Buildings forming a part of Landlord's Premises located on the Museum Block and the Schermerhorn Block, against loss or damage by fire and loss or damage by all other risks now or hereafter embraced by extended coverage and "all risk" endorsement, with replacement cost valuation and a stipulated (agreed) value endorsement (hereinafter referred to as "All Risk") in an amount equal to not less than one hundred percent (100%) of Replacement Value (as defined below), as determined from time to time in accordance with the provisions of Section 7.11 below and meeting all of the standards, limits, minimums and requirements described in Section 7.8. Tenant, Landlord, Lease Administrator and AIDC shall be named as their interests may appear on such All Risk policy. For purposes of this Lease, "All Risk" shall mean the causes of loss in ISO form CP 1030, CAUSES OF LOSS—SPECIAL FORM, or its equivalent.

(iii) Comprehensive Business Automobile Liability Coverage. Tenant shall maintain liability coverage for any automobile, including all owned, hired and non-owned vehicles, used in connection with operations at the Premises with limits as designated by Landlord from time to time but in any event with limits of not less than Three Million Dollars ($3,000,000) combined single limit per occurrence with respect to personal and bodily injury, death and property damage which shall designate the City, Landlord and AIDC as additional insureds. If automobiles are used to transport hazardous materials, the Automobile Liability Coverage shall be endorsed to provide pollution liability broadened coverage for covered automobiles (endorsement CA 99 48), as well as proof of MCS 90.

(iv) Construction Insurance. Prior to the commencement of any Construction Work, Tenant shall carry or cause its contractor to carry, until final completion of such work, in addition to and not in lieu of the insurance required by the foregoing subsections (i), (ii) and (iii), the insurance described in Section 7.9.

(v) Workers' Compensation. Statutory Workers' Compensation and Disability Benefits Insurance and any other insurance required by law covering all persons employed by Tenant, contractors, subcontractors, or any entity performing work on or for the Premises or the Improvements (unless and to the extent provided by such other parties), including Employers Liability coverage, all shall be provided in amounts not less than the statutory minimum, except that Employers Liability coverage shall be in an amount not less than five hundred thousand dollars ($500,000);

(vi) Boiler and Machinery Insurance. Boiler and Machinery Insurance shall be provided covering the entire heating, ventilating and air-conditioning systems, in all its applicable forms, including Broad Form, boiler explosion, extra expense and loss of use in an amount not less than the Replacement Value, which shall name Landlord and Tenant, as insureds and the Depositary as loss payee for the benefit of Landlord and Tenant, as their interests may appear. If the insurer for a boiler and machinery policy is not the same insurer for the property insurance required under this Lease, both policies shall have a joint loss agreement endorsement.

(vii) Jones Act Insurance and U.S. Harbor Workers' and Long Shoremens' Compensation Act Insurance. Such insurance shall be provided in statutory amounts, if Tenant or any of its subcontractors utilizes floating equipment, barges or floats, or performs marine-related construction in connection with this Lease.

(viii) Marine Protection and Indemnity Insurance. Marine Protection and Indemnity Insurance incorporating U.K. Rules or the equivalent shall be provided with a limit of liability of not less than twenty million dollars ($20,000,000) per occurrence, at all times when the Tenant or any of its contractors or subcontractors utilizes floating equipment, barges or floats, or performs marine-related construction, covering any and all claims for personal injury, death and property damage arising out of or in connection with Pier 17.

(ix) Pollution/Environmental Liability Insurance. To the extent environmental exposure is an issue for the business operations in connection with the premises of Tenant or any subtenant, licensee or concessionaire, Pollution Liability Insurance policy, on an occurrence basis, providing coverage for bodily injury liability, property damage or environmental damage caused by emission, discharge, dispersal, seepage, release or escape of pollutants, including any necessary cost or expense incurred as a result of any cleanup of pollutants or in the investigation, settlement or defense of a claim, suit or proceeding against the Landlord, AIDC and Lease Administrator, with a limit of liability of not less than five million dollars ($5,000,000) per occurrence and in the aggregate. The policy shall include coverage for environmental clean-up on land, in air and on water. The policy shall include coverage for gradual and sudden and accidental pollution coverage, with a time element of no less than seven (7) days' notice and thirty (30) days' reporting. The policy shall not contain a sunset provision, or any other provision, which would prohibit the reporting of a claim and the subsequent defense

and indemnity that would normally be provided by the policy. The policy shall provide transportation coverage for the hauling of hazardous materials from the Premises to the final disposition location.

(x) Business Interruption Insurance. Business Interruption Insurance insuring Rental payable by Tenant under this Lease in an amount at least equal to the aggregate amount of Rental payable for a period of not less than one (1) Lease Year, designating Landlord as loss payee.

(xi) Such other insurance, in such amounts as from time to time reasonably may be required by the Landlord.

(b) Subtenants, Licensees and Concessionaires. Additionally, Tenant shall cause any individual, company, corporation or entity, including, but not limited to subtenants, licensees and concessionaires, subletting or otherwise occupying space on the Premises (an "Authorized Occupant") to procure and maintain the following insurance policies:

(i) Commercial General Liability Insurance. Commercial general liability insurance in an amount to be approved by Landlord prior to the commencement of the relevant sublease, license, permit or concession taking into account the nature and scope of the business of such Authorized Occupant at the Premises, and the amount of space to be occupied by the same, with limits appropriate to premises similarly situated to the Authorized Occupant's demised premises, or to business operations of a size, nature and character similar to the business conducted by the Authorized Occupant at its demised premises, but in no event less than One Million Dollars ($1,000,000). Tenant shall deliver to Landlord within ten (10) days of demand, evidence of insurance supplied by the respective Authorized Occupants, to the extent in Tenant's possession. Such insurance shall meet all of the standards, limits, minimums and requirements described in Section 7.7.

(ii) Statutory Worker's Compensation and Employer's Liability Insurance.

(iii) Marine Protection and Indemnity Insurance. If applicable in light of the nature of the business activities of the Authorized Occupant, and excluding Authorized Occupants in the Uplands, Marine protection and indemnity insurance in an amount not less than twenty million dollars ($20,000,000), per occurrence..

(iv) Liquor Law Liability and Host Liquor Law Liability. If applicable in light of the nature of the business activities of the Authorized Occupant, liquor law

liability and host liquor law liability coverage in an amount not less than the Authorized Occupant's commercial general liability limit, per occurrence.

(v) Miscellaneous Insurance. Such other insurance, in such amounts as from time to time reasonably may be required by the Landlord.

Section 7.2 Treatment of Proceeds.

(a) Proceeds of Insurance in General. Insurance proceeds shall be payable to Depositary for disbursement to Tenant in accordance with Section 8.5 hereof, except that (i) if the aggregate amount of the proceeds with respect to any single insurance claim is less than $250,000 (which amount shall be adjusted on the first day of each calendar year during the Term to take into account CPI for the immediately preceding calendar year), then (A) such insurance proceeds shall be paid directly to Tenant and (B) in the event such insurance proceeds are not paid directly to Tenant, Depositary or Landlord, as applicable, shall promptly transfer such funds to Tenant, and (ii) the proceeds of rent insurance required to be maintained pursuant to subsection (a)(x) of Section 7.1 are hereby irrevocably assigned to and shall be paid to Landlord (and all such policies of rent insurance shall contain a provision to such effect) and shall be applied by Landlord to the Rental payable by Tenant to Landlord under this Lease. Insurance proceeds payable to the Depositary or the Landlord with respect to a property loss shall be held in trust for the purpose of paying the cost of the Restoration, and such proceeds shall be applied to the payment in full of the cost of such Restoration in accordance with Article 8 hereof.

(b) Cooperation in Collection of Proceeds. Tenant and Landlord shall cooperate in connection with the collection of any insurance moneys that may be due in the event of loss, and Tenant and Landlord shall as soon as practicable execute and deliver such proofs of loss and other instruments as may be required of Tenant or Landlord, respectively, for the purpose of obtaining the recovery of any such insurance moneys.

(c) Adjustments for Claims. All property insurance policies required by this Article shall provide that all adjustments for claims with the insurers involving a loss in excess of $5,000,000 be made with Landlord and Tenant.

Section 7.3 General Requirements Applicable to Policies.

(a) Insurance Companies. All of the insurance policies required by this Article shall be procured from companies licensed or authorized to do business in the State of New York that have a rating in the latest edition of "Bests Key Rating Guide" of "A-:VII" or better or another comparable rating reasonably acceptable to Landlord and Tenant considering market conditions.

(b) Required Forms. All references to forms and coverages in this Article shall be those used by the Insurance Services Office of New York (the "Insurance Services Office") or equivalent forms satisfactory to Landlord and Tenant in all material respects.

(c) Required Certificates. Certificates of insurance evidencing the issuance of all insurance required by this Article 7, describing the coverage and evidencing thirty (30) days' prior notice to Landlord by the insurance company of cancellation as per the terms of the policy, shall have been delivered to Landlord by the Commencement Date, and in the case of any policies replacing or renewing any policies expiring during the Term, not later than thirty (30) days before the expiration dates of any expiring policies. The certificates of insurance shall be issued by the Tenant's insurance representative and shall bear the signature of an officer or duly authorized agent having the authority to issue the certificate. The insurance representative shall also deliver to Landlord, together with the certificates, proof reasonably satisfactory to Landlord that the premiums for at least the first year of the term of each policy (or installment payments to the insurance carrier then required to have been paid on account of such premiums) have been paid. Upon request, Tenant shall deliver a copy of each entire original policy, or other evidence satisfactory to Landlord of the validity and accuracy of said certificate, immediately after the date each such policy is available, but no later than four (4) months after the date each such policy takes effect.

(d) Compliance With Policy Requirements. Tenant shall not violate or permit to be violated any of the conditions, provisions or requirements of any insurance policy required by this Article, and Tenant shall perform, satisfy and comply with or cause to be performed, satisfied and complied with all conditions, provisions and requirements of all such insurance policies.

(e) Required Insurance Policy Clauses. Each policy of insurance required to be carried pursuant to the provisions of this Article shall contain (i) a provision that no act or omission of Tenant shall affect or limit the obligation of the insurance company to pay the amount of any loss sustained by Landlord, AIDC or the Lease Administrator, other than those acts which are committed by Landlord, AIDC or the Lease Administrator, respectively, (ii) a written waiver of the right to subrogation with respect to all of the named insureds and additional insureds, including Landlord, AIDC and the Lease Administrator, (iii) a clause designating Landlord, AIDC and the Lease Administrator as loss payee or additional insured, as their interests may appear, and (iv) an agreement by the insurer that such policy, as per the terms of the policy, shall not be canceled without at least thirty (30) days' prior written notice to Landlord, AIDC and the Lease Administrator, specifically covering, without limitation, cancellation or non-renewal for non-payment of premium.

Section 7.4 Additional Coverage.

(a) Other Insurance. Subject to the provisions of Section 7.12, Tenant shall maintain such other insurance in such amounts as from time to time reasonably may be required by Landlord against such other insurable hazards as at the time are commonly insured against in

the case of premises similarly situated to the Premises or business operations of a size, nature and character similar to the size, nature and character of the business operations being conducted at the Premises.

(b) Adjustment of Limits. All of the limits of insurance required pursuant to this Article 7 shall be subject to review by Landlord and, in connection therewith, Tenant shall carry or cause to be carried such additional amounts as Landlord may reasonably require from time to time, if and to the extent available at a reasonable cost. Any request by Landlord that Tenant carry or cause to be carried additional amounts of insurance shall not be deemed reasonable unless such additional amounts are commonly carried in the case of premises similarly situated to the Premises, or business operations of a size, nature or character similar to the size, nature and character of the business operations being conducted at the Premises; provided, however, that in no event shall the provisions of this subsection (b) relieve Tenant of its obligation to carry or to cause to be carried All Risk property damage insurance in an amount not less than 100% of the Replacement Value as provided in Section 7.1(a)(ii) hereof; and provided further, however, that in no event shall Tenant be required to carry or to cause to be carried All Risk property insurance in an amount which is greater than 100% of the Replacement Value.

(c) Equivalent Protection. The parties acknowledge that over the Term of this Lease, further changes in the forms of insurance policies and in insurance practices are likely to occur. In such event, Landlord shall have the right to require Tenant to furnish, at Tenant's sole expense, such additional coverages, policy terms and conditions, or limits of liability, as may be reasonably necessary or prudent to assure to Landlord a degree of insurance protection practically equivalent to that provided by Tenant prior to the advent of the change, provided such coverage is commercially available. As used in this Article 7, “commercially available” coverage means coverage offered by not less than three (3) nationally recognized insurance providers at commercially reasonable rates, which coverage is customarily carried with respect to (i) premises similar to the Premises and (ii) business operations of a size, nature and character similar to the size, nature and character of the business operations being conducted by Tenant at the Premises.

Section 7.5 No Representation as to Adequacy of Coverage.

The requirements set forth herein with respect to the nature and amount of insurance coverage to be maintained or caused to be maintained by Tenant hereunder shall not constitute a representation or warranty by Landlord or Tenant that such insurance is in any respect adequate.

Section 7.6 Blanket or Umbrella Policies.

Amounts in excess of $1,000,000 of the insurance required to be carried or caused to be carried by Tenant pursuant to the provisions of this Lease may be effected by blanket and/or umbrella policies covering the Premises and other properties owned or leased by Tenant or the Person required by Tenant to carry the applicable insurance, provided, such policies otherwise

comply with the provisions of this Lease and evidence the specified coverage, including, without limitation, the specified coverage for all insureds required to be named as insured hereunder, without possibility of reduction of co-insurance by reason of, or damage to, any other premises named therein, and if the insurance required by this Lease shall be effected by any such blanket or umbrella policies, Tenant shall, upon request, furnish to Landlord certified copies of such policies as provided in Section 7.3(c) hereof, together with schedules annexed thereto, setting forth the amount of insurance applicable to the Premises and proof reasonably satisfactory to Landlord that the premiums for at least the first (1st) year of the term of each of such policies (or installment payments then required to have been paid on account of such premiums) shall have been paid. If applicable, Umbrella/Excess Liability insurance must specifically list Commercial General Liability, Employer's Liability and Comprehensive Automobile Liability as primary coverages and the certificate of insurance must indicate that the insurance afforded is on a "Per Occurrence" basis.

Section 7.7 Liability Insurance Requirements.

(a) The insurance required by Section 7.1(a)(i) and Section 7.1(b)(i) shall consist of commercial general liability insurance, written on an occurrence basis with respect to the Premises and all operations related thereto, with deductibles of not more than $50,000 per loss, protecting against liability for bodily injury, death, property damage, and personal injury.

(b) Such insurance shall include, without limitation, the following types of coverage: Premises Operation, Products and Completed Operations, Contractual Liability (including the tort liability of another assumed in a contract and covering, to the maximum extent permitted by law, Tenant's obligation to indemnify Landlord, AIDC and Lease Administrator as required under this Lease and also insuring Landlord, AIDC and Lease Administrator against any liability, suit, obligation, fine, damage, penalty, claim, cost, charge or expense that becomes effective or due after the Termination Date if such arises out of, or in connection with, any action or failure to take action or any other matter occurring prior to the Termination Date), Broad Form Property Damage, Medical Payments, Independent Contractors, Personal Injury (Contractual Exclusion deleted), Cross Liability, Explosion, Collapse and Underground Property, and Incidental Malpractice.

(c) Tenant shall cause any catering establishment permitted to cater an event to be held at the Premises to carry appropriate liability insurance, including, without limitation, liquor liability coverage naming Landlord, Tenant, AIDC and Lease Administrator as additional insureds.

Section 7.8 Property Insurance Requirements.

(a) The insurance required by Section 7.1(a)(ii) shall consist at least of property damage insurance under an "All Risk" policy or its equivalent with replacement cost valuation and an agreed value endorsement in an amount not less than 100% of the Replacement

Value (determined in accordance with Section 7.11) and including the following coverages or clauses, with a deductible of not more than $5,000,000 per loss:

(i) a replacement cost valuation without depreciation or obsolescence clause;

(ii) debris removal coverage;

(iii) flood and earthquake coverage (with no exclusion for wind); it being understood, however, that such coverages (1) may have sublimits in amounts less than 100% of the Replacement Value, with said sublimits to be reasonably approved by Landlord (concurrently with the determination of Replacement Value pursuant to Section 7.11(a) hereof) based on generally prevailing underwriting practices of domestic carriers customarily insuring premises similar to the Premises and business operations of a size, nature and character similar to the size, nature and character of the business operations being conducted by Tenant at the Premises, and (2) in the case of flood coverage, shall exclude the cost of foundation and excavation;

(iv) contingent liability from operation of building laws;

(v) demolition cost for undamaged portion coverage;

(vi) increased cost of construction coverage;

(vii) an agreed or stipulated amount endorsement negating any coinsurance clauses;

(viii) equipment breakdown coverage (which coverage may be provided under a separate policy reasonably approved by Landlord); and

(ix) contain no exclusion or deductible unless approved in writing by Landlord, which approval will not be unreasonably withheld or delayed.

(b) If not included within the All Risk coverage above, Tenant shall also carry or cause to be carried commercial property and rent insurance for loss resulting from acts of terrorism (a "Terrorism Policy"), which shall be written with limits of coverage which are then commercially available, provided, however, that in no event shall Tenant be required to expend more than one hundred fifty percent (150%) of the cost of the premium for the All Risk policy for the purchase of the Terrorism Policy.

(c) Tenant and Landlord shall be named as their interests may appear, and the Depositary shall be designated loss payee on such "All Risk" property damage insurance policy for the benefit of Landlord and Tenant.

Section 7.9 Construction Insurance Requirements. The insurance required by Section 7.1(a)(iv) shall consist at least of the following:

(a) Property. Builder's Risk Insurance (standard "All Risk" or equivalent coverage), in the amount of not less than one hundred percent (100%) of Replacement Value, written on a completed value (non-reporting) basis, naming Tenant as named insured and Landlord and AIDC as additional insureds, as their respective interests may appear and Landlord as loss payee. In addition, such insurance policy (A) shall contain a written acknowledgement (annexed to the policy) by the insurance company that its right of subrogation has been waived with respect to all of the insureds and an endorsement stating that "permission is granted to complete and occupy," and (B) if any off-site storage location is used, shall cover, for full insurable value, all materials and equipment on or about any such off-site storage location intended for use with respect to the Premises.

(b) Liability and Statutory.

(i) Commercial General Liability Insurance, including all applicable coverages enumerated in Section 7.7 hereof, written for a limit of not less than Fifty Million Dollars ($50,000,000) per occurrence and in the aggregate, and endorsed to name Tenant as named insured and Landlord and AIDC as additional insureds;

(ii) Commercial General Liability insurance insuring all contractors, subcontractors and construction managers in amounts comparable with amounts carried by persons undertaking similar work in the New York area, naming Tenant, Landlord and AIDC as additional insureds. Coverage for Landlord and AIDC as additional insureds shall specifically include their respective officials and employees, and shall be at least as broad as Insurance Services Office ("ISO") Form CG 2010 (11/85 ed.). Any contractor or subcontractor undertaking foundation, excavation or demolition work shall secure an endorsement on its policy to the effect that such operations are covered and that the "XCU Exclusions" have been deleted; and

(iii) Statutory Workers' Compensation Insurance and New York State Disability Benefits Insurance in statutory amounts covering all contractors and subcontractors with respect to all of their employees.

Tenant shall be permitted to procure and maintain (or cause to be procured and maintained), to the extent permitted under applicable law, a wrap-up insurance policy which will satisfy the requirements of the foregoing Section 7.8.

(c) Pollution Liability Insurance, to the extent applicable to the Construction Work being performed, on an occurrence basis, providing coverage for bodily injury liability, property damage or environmental damage caused by pollution conditions with a limit of liability of not less than five million dollars ($5,000,000) per occurrence and in the aggregate. The policy shall include coverage for environmental clean-up on land, in air and on water. The policy shall include coverage for completed operations for two (2) years after the completion of the performance of the Work, gradual and sudden and accidental pollution coverage, with a time element of no less than seven (7) days' notice and thirty (30) days' reporting. The policy shall not contain a sunset provision, or any other provision, which would prohibit the reporting of a claim and the subsequent defense and indemnity that would normally be provided by the policy. The policy shall provide transportation coverage for the hauling of hazardous materials from Pier 17 to the final disposition location.

(d) Professional Liability Insurance, to the extent applicable to the Construction Work being performed at the Premises, in the amount of five million dollars ($5,000,000). Tenant agrees to require any contractor performing work of a nature customarily covered by professional liability insurance to maintain such coverage for at least three years after the completion of the Project or other relevant construction.

Section 7.10 Annual Aggregates.

If there is imposed under any commercial general liability insurance policy required hereunder an annual aggregate which is applicable to claims other than products liability and completed operations, such an annual aggregate shall not be less than two (2) times the per occurrence limit required for such insurance.

Section 7.11 Determination of Replacement Value.

(a) As used herein, "Replacement Value" shall mean the full costs of replacing the Insured Improvements, including the costs of post-casualty debris removal and soft costs, including architect's and development fees, as determined and redetermined and adjusted from time to time as described in this Section 7.11.

(b) After Substantial Completion of the Tenant Work, but no later than sixty (60) days after the Substantial Completion of the Tenant Work (the "Value Date"), and each subsequent tenth (10th) anniversary of the Value Date thereafter for the Term of this Lease, Tenant shall cause an appraisal, to be conducted at Tenant's expense by an appraiser, selected by Landlord from a list of three appraisers agreed upon by Landlord and Tenant, of the Insured Improvements. Such appraisal shall determine the then-current cost (including all hard and soft costs) of rebuilding the Insured Improvements (including the costs of post-casualty debris removal), without regard to depreciation, and the total amount of such costs as appraised shall be deemed the Replacement Value.

(c) The amount of Replacement Value shall be adjusted on each anniversary of the initial determination of Replacement Value and of each subsequent decennial redetermination of Replacement Value throughout the Term by a percentage equal to the percentage change in the Building Index in effect on such anniversary date as compared to the Building Index in effect on the date of Substantial Completion of the Required Improvements or prior redetermination, whichever is latest.

(d) As used herein, the "Building Index" shall mean the Dodge Building Cost Index or such other published index of construction costs which shall be selected from time to time by Landlord and reasonably agreed to by Tenant, provided that such index shall be a widely recognized measure of construction costs in the insurance industry and appropriate to the type and location of the Improvements.

Section 7.12 Unavailability.

If any of the insurance required to be carried under this Lease shall not, after diligent efforts by Tenant, and through no act or omission on the part of Tenant, be obtainable from domestic carriers customarily insuring premises similar to the Premises and business operations of a size, nature and character similar to the size, nature and character of the business operations being conducted by Tenant at the Premises, then Tenant shall promptly notify Landlord of Tenant's inability to obtain such insurance and Landlord shall have the right, but not the obligation, to arrange for Tenant to obtain such insurance at a reasonable cost. If Landlord shall be able to arrange for Tenant to obtain such insurance, Tenant shall obtain the same up to the maximum limits provided for herein. If Landlord shall be unable to arrange for Tenant to obtain the insurance required hereunder, Tenant shall promptly obtain the maximum insurance obtainable at a reasonable cost, and in such case, the failure of Tenant to carry the insurance which is unobtainable shall not be a Default hereunder for as long as such insurance shall remain unobtainable. Types or amounts of insurance shall be deemed unobtainable if such types or amounts of insurance are (a) actually unobtainable, or (b) virtually unobtainable as a result of commercially unreasonable premiums for such insurance with respect to premises similar to the Premises, located in New York City and used for purposes similar to those for which the Premises are used or (c) not customarily required, sold or purchased with respect to (i) premises similar to the Premises and (ii) business operations of a size, nature and character similar to the size, nature and character of the business operations being conducted by Tenant at the Premises.

Section 7.13 Interpretation.

All insurance terms used in this Article 7 shall have the meanings ascribed by the Insurance Services Offices.

ARTICLE 8

DAMAGE, DESTRUCTION AND RESTORATION

Section 8.1 Premises Restoration. Subject to Section 8.3, if all or any of the Buildings, and/or leased space (including the improvements therein, other than the Base Building Systems) in the Museum Block and/or Schermerhorn Block, now or hereafter forming a part of the Premises, and/or Pier 17, including any portions thereof at any time not forming a part of the Premises, shall be damaged or destroyed in whole or in part by fire or other casualty (including any casualty for which insurance was not obtained or obtainable) of any kind or nature, ordinary or extraordinary, foreseen or unforeseen, Tenant shall give Landlord immediate notice thereof, and Tenant, at its sole cost and expense, whether or not such casualty shall have been insured or be insurable against and, except as otherwise hereinafter expressly set forth, whether or not the insurance proceeds, if any, shall be sufficient to pay for the necessary repairs, restorations, replacements and rebuilding, shall promptly repair, restore, replace and rebuild (collectively a "Premises Restoration") such damaged or destroyed Buildings or space therein (excluding space not specifically demised to Tenant in the Museum Block or Schermerhorn Block) and/or Pier 17 at least to the extent of the quality and condition and as nearly as possible to the character thereof existing immediately prior to such occurrence, or with such changes or alterations thereto as may be made at Tenant's election and with Landlord's approval, or as may be required by the New York City Landmarks Preservation Commission or other applicable landmarks authorities and/or other Governmental Requirements, and Landlord agrees to cooperate with Tenant in obtaining all necessary permits and approvals for such Premises Restoration provided that such cooperation shall be at no cost to Landlord. Notwithstanding the foregoing, restoration of any Base Building Systems in the Museum Block or Schermerhorn Block shall be addressed in Section 8.2 hereof. Notwithstanding the foregoing, if Pier 17 shall be damaged or destroyed in whole or in part, Tenant shall not be obligated to expend for the Premises Restoration of Pier 17 an amount in excess of the greater of (i) the insurance proceeds paid for the damage or destruction thereof, and (ii) the insurance proceeds which would have been payable for such damage or destruction had Tenant fulfilled its insurance requirements in respect of Pier 17. In any such case where the insurance proceeds payable (or which would have been payable under clause (ii) above) for damage or destruction of Pier 17 (exclusive of the Pier Improvements) shall be inadequate to permit a complete Premises Restoration of Pier 17 (as determined by detailed cost estimates or proposed Construction Agreements procured by Tenant from reputable contractors in the manner prescribed in Section 8.4 hereof for a Premises Restoration), Tenant, subject to the following conditions, shall nevertheless undertake a Premises Restoration of Pier 17 to a size smaller than that which existed prior to such casualty, provided plans and specifications therefor and for the Premises Restoration of the Pier Improvements thereon shall have been approved by Landlord, which approval shall not unreasonably be withheld or delayed if such plans and specifications shall provide for adequate public access, circulation and seating areas and (a) Building(s) thereon containing approximately the same gross square feet as the Building(s) initially constructed by Tenant (after Substantial Completion of the Initial Renovation Work, approximately the same gross square feet as the Building(s) constructed by Tenant pursuant to Article 13), or (b) if required by Landlord as part of said approval, a smaller Building(s) which, in the reasonable judgment of Landlord and Tenant, is nevertheless deemed to be of similar quality, permitting a comparable tenant mix and economically feasible to operate (and in the event of a Premises Restoration of the type contemplated by this clause (b), the

Rental hereunder shall be equitably apportioned to account for such smaller Building(s), provided the construction of such smaller Building was required by Landlord). If there shall be insurance proceeds in excess of the cost of Premises Restoration of Pier 17, then, subject to the rights of a Recognized Mortgagee, the insurance proceeds or excess insurance proceeds, as the case may be, in respect of Pier 17 shall be disbursed to Tenant. Any dispute among Landlord and Tenant in respect of a claimed inadequacy of insurance proceeds or the Premises Restoration of Pier 17 shall be resolved by arbitration pursuant to Article 34 hereof. If, under the circumstances aforesaid, Tenant shall not be required to undertake a Premises Restoration of Pier 17 or any part thereof, this Lease shall terminate in respect of Pier 17, the land thereunder and the Pier Improvements, or the portions thereof not required to be restored, Tenant shall quit and surrender such part of the Premises to Landlord and the Base Rent payable hereunder shall be recalculated on the basis of the reduced gross square feet of the Premises, but this Lease shall otherwise remain in full force and effect. In confirmation of the foregoing, Landlord and Tenant shall execute and deliver an amendment to this Lease, in recordable form and otherwise in form reasonably satisfactory to Landlord, Tenant and each Mortgagee by the terms of which Pier 17, or such portions thereof as shall not be required to be restored, shall revert to Landlord free and clear of the demise to Tenant and any encumbrances created by Tenant under this Lease, including, but not limited to, any Mortgage, and such severed portion of the Premises shall be described according to an accurate survey which shall be subject to the reasonable approval of all of the aforementioned parties.

Section 8.2 Base Building Systems. If all or any part of the Base Building Systems of the Museum Block and/or Schermerhorn Block shall be damaged or destroyed in whole or in part by fire or other casualty of any kind or nature, ordinary or extraordinary, foreseen or unforeseen (a "Building Systems Casualty"), then Landlord shall have the option, exercisable in its sole discretion, to either (i) promptly repair, restore, replace and rebuild the said Base Building Systems at least to the extent of the quality and condition and as nearly as possible to the character thereof existing immediately prior to the Building Systems Casualty, or as may be required by applicable landmarks authorities, and subject to such changes as shall be necessitated by Requirements (a "Building Systems Restoration") or (ii) permit Tenant to undertake a Building Systems Restoration on Landlord's behalf. Landlord shall notify Tenant, not later than sixty (60) days from the date of the Building Systems Casualty, whether it elects to undertake a Building Systems Restoration or to permit Tenant to undertake a Building Systems Restoration on its behalf. Any Building Systems Restoration shall be undertaken with diligence and as expeditiously as reasonably possible.

Section 8.3 Tenant's Option to Terminate; Tenant's Option to Restore Pier.

(a) Notwithstanding anything to the contrary herein, if the damage or destruction described in this Article 8 occurs during the last four (4) years of the Term and the cost of rebuilding, restoration, repair or replacement shall exceed twenty five percent (25%) of the then full insurable value of the Premises and all structures, improvements, fixtures and equipment, furnishings and physical property located on the Premises immediately prior to such damage or destruction, Tenant shall have the option of either:

(i) performing all rebuilding, restoration, repairs, replacements or alterations required, in accordance with the provisions of this Agreement, or

(ii) terminating this Lease in its entirety by written notice to Landlord within thirty (30) days after the occurrence of such damage or destruction; provided, however, there shall be in force and effect the required insurance valid and subsisting and adequate to cover such damage or destruction without any defenses to the payment by the insurance carriers based upon acts or omissions of the Tenant or of any other insureds; provided further, however, that both at the-time of the giving of notice and on the effective date thereof: (A) no Event of Default is continuing, and (B) this Lease or any construction, buildings, structures, improvements, fixtures and equipment, furnishings and physical property located on the Premises are unencumbered by any mortgage, security interest, judgments, or other liens (to be evidenced by a search made by a nationally recognized title company and to be furnished by the Tenant at its sole cost and expense).

(b) In the event of termination pursuant to the provisions of Section 8.3(a), Tenant shall not be entitled to any portion of the proceeds of fire insurance, boiler and pressure vessel insurance, war, risk insurance and rent or rental value insurance if any, all of which shall become the sole property of Landlord.

(c) Upon the effective date of a termination of this Lease pursuant to the provisions of Section 8.3(a), Tenant shall surrender and deliver up the Premises and all structures, improvements, fixtures and equipment, furnishings and other property located on the premises into the possession and use of Landlord in the manner specified in Article 31, subject, however, to the then physical condition and state of repair thereof. Subject to the foregoing, Tenant upon such termination, surrender and removal, shall be released and discharged from any and all obligations under this Lease other than those which shall have accrued prior to the date of such termination or shall mature on such date.

(d) In addition to the terms above, in the event that a Building System Casualty occurs, then Tenant shall have the right and option, not later than sixty (60) days from the date of service of notice from Landlord that Landlord will not undertake a Building Systems Restoration, to terminate this Lease only with regard to those portions of the Premises located within the area of the Building Systems Casualty, subject to the continuing obligation of Tenant to reasonably assist (to the extent necessary) in the prosecution of all insurance and other claims relating to the Building Systems Casualty. Any such termination shall be effectuated by written notice by Tenant to Landlord within one hundred twenty (120) days following Tenant's receipt of Landlord's notice as aforesaid.

(e) If Tenant elects to terminate pursuant to Section 8.3(d), this Lease shall terminate in respect of those portions of the Premises located within the area of the Building Systems Casualty, Tenant shall quit and surrender such part of the Premises to Landlord and the

Base Rent payable hereunder shall be recalculated on the basis of the reduced gross square feet of the Premises, but this Lease shall otherwise remain in full force and effect. In confirmation of the foregoing, Landlord and Tenant shall execute and deliver an amendment to this Lease, in recordable form and otherwise in form reasonably satisfactory to Landlord, Tenant and each Mortgagee by the terms of which such portions of the Premises shall revert to Landlord free and clear of the demise to Tenant and any encumbrances created by Tenant under this Lease, including, but not limited to, any Mortgage, and such severed portion of the Premises shall be described according to an accurate survey which shall be subject to the reasonable approval of all of the aforementioned parties. Any amounts due and owing to Landlord up to and including the date of termination shall survive termination and shall be payable in accordance with this Lease.

(i) If Tenant elects to terminate this Lease pursuant to this Section 8.3(e), Tenant shall be deemed to have assigned to Landlord all of Tenant's right, title and interest in and to all available insurance and other proceeds payable due to the Building Systems Casualty.

(ii) If Landlord elects to undertake a Building Systems Restoration, all Restoration Funds allocable to the Base Building Systems affected by the Building Systems Casualty shall be available to Landlord, and Tenant shall not be obligated to commence any Premises Restoration which may be required pursuant to this Article 8 until such time as Landlord has completed the Building Systems Restoration.

(iii) If Landlord elects not to undertake a Building Systems Restoration, but Tenant elects to undertake a Building Systems Restoration, all Restoration Funds allocable to the Base Building Systems affected by the Building Systems Casualty shall be available to Tenant as provided in Section 8.5 and Tenant shall proceed in accordance with the provisions of this Article 8 with regard to Tenant's performance of a Premises Restoration and a Building Systems Restoration (either, when performed by Tenant shall be referred to as a "Tenant Restoration") and disbursement of Restoration Funds.

Section 8.4 Tenant Restoration.

(a) Estimate of Construction Work Cost. Before commencing any Construction Work in connection with a Tenant Restoration (other than a Tenant Restoration which is reasonably estimated to cost less than Five Million Dollars ($5,000,000) (which amount shall be adjusted on the first day of each calendar year during the Term to take into account CPI for the immediately preceding calendar year)), and as soon as reasonably practicable (and in any event, within two hundred and ten (210) days after the damage or destruction, Tenant shall furnish Landlord with an estimate, prepared by a Qualified Contractor (after consultation by the Qualified Contractor with the Landlord, to the extent practicable), of the cost of such Construction Work. Such estimate shall include, without limitation, Architect's and engineer's fees (and other construction-related soft costs), construction labor costs and the cost of materials, fixtures and equipment, and the schedule for incurring these costs. Landlord, at its election and at Landlord's sole cost, may engage a licensed professional engineer or registered architect to

prepare its own estimate of the cost of such Construction Work. If Landlord shall fail to disapprove Tenant's estimate of such cost within thirty (30) days of receipt of such estimate, Tenant's estimate shall be deemed approved. If Landlord shall dispute the estimated cost of such Construction Work, the dispute shall be resolved by a licensed professional structural engineer or licensed professional contractor, chosen by agreement of Landlord and Tenant, which structural engineer or contractor shall resolve the dispute by choosing either Landlord's or Tenant's estimate, which choice shall be binding on the parties. During the course of any Tenant Restoration, Tenant shall provide monthly summaries to Landlord of the progress of the Construction Work. Such summary shall include a breakdown of the applicable costs spent for the Construction Work for such month. Tenant further agrees that Landlord shall have the right, at all reasonable times, to inspect the Premises and the progress of the Construction Work. Tenant agrees that if it fails to properly and fully complete such Construction Work, and such failure shall continue for a period of one hundred and eighty (180) days (subject to Unavoidable Delay) after notice thereof from Landlord to Tenant specifying such failure, Landlord shall have the right to complete such Construction Work at the cost and expense of Tenant, or to avail itself of any other remedy provided in Section 24.2 available under law.

(b) Commencement of Construction Work. Subject to Unavoidable Delays, Tenant shall commence performance of labor in connection with the Construction Work for a Tenant Restoration at any time it elects but in any event promptly after settlement of the insurance claim, if any, relating to the damages or destruction (which settlement will be diligently prosecuted), but in any event within five hundred forty-five (545) days of the damage or destruction (or such longer period as is required for Tenant to (i) settle the receipt of insurance proceeds with the insurer of the Premises and (ii) obtain all governmental and regulatory approvals required to commence the Construction Work; provided that Tenant shall diligently pursue to completion the settlement of such insurance proceeds and the procurement of all necessary governmental and regulatory approvals). Prior to commencing the Construction Work in connection with a Tenant Restoration, Tenant will proceed diligently and in good faith to take all actions required to be taken prior to the commencement of the Construction Work, including the preparation of any necessary plans and specifications and the obtaining of any necessary permits and approvals.

Section 8.5 Restoration Funds.

(a) Reimbursement of Depositary's and Landlord's Expenses. Before paying the Restoration Funds to Tenant, Depositary shall reimburse itself, Landlord and Tenant therefrom to the extent of the necessary and proper expenses (including, without limitation, reasonable attorneys' fees and disbursements) paid or incurred by Depositary, Landlord or Tenant in the collection of such Restoration Funds.

(b) Disbursement of Restoration Funds.

(i) Application for Disbursement. In connection with any Construction Work in connection with a Tenant Restoration, Landlord shall direct

Depositary to pay to Tenant the Restoration Funds from time to time in installments as the Restoration progresses, in the manner and at the times as required by the Recognized Mortgagee most senior in lien including, without limitation, for the payment of interest to the Recognized Mortgagee and any Recognized Mezzanine Lender. If there is no Recognized Mortgagee or the Recognized Mortgage has no provision relating to the disbursement of the Restoration Funds, then, subject to the provisions of Sections 8.1, Section 8.2, Section 8.3(a), Section 8.3(e)(ii), Section 8.4 and Section 8.5 hereof, the Restoration Funds shall be paid to Tenant in installments as the Restoration progresses, upon application to be submitted by Tenant to Depositary and Landlord showing the cost of labor and the cost of materials, fixtures and equipment that either have (A) been incorporated in the Buildings since the last previous application and either have been paid for by Tenant or are then due and owing by Tenant, or (B) not been incorporated in the Building but have been purchased since the last previous application and either have been paid for by Tenant or are then due and owing by Tenant and are insured by Tenant for one hundred percent (100%) of the cost thereof and stored at a secure and safe location either on, or outside of, the Premises. Depositary shall not make any installment payment to Tenant for materials, fixtures and equipment, purchased but not yet incorporated in the Building, until Tenant shall have delivered to Landlord certificates of insurance evidencing that such materials, fixtures and equipment are insured for one hundred percent (100%) of the cost thereof.

(ii) Holdback of Restoration Funds. Until such time as fifty percent (50%) of the Restoration is complete, the amount of any installment of the Restoration Funds to be paid to Tenant for labor, the cost of materials, fixtures and equipment (but exclusive of (A) architects' fees, insurance and other professional fees and "soft" construction costs, called herein "soft costs" and (B) real estate and sales taxes, PILOST and debt service payments, for which no holdback shall be required) shall be equal to ninety-five percent (95%) of the amount by which (x) the product derived by multiplying the Restoration Funds by a fraction, the numerator of which shall be the total cost (including any amounts that may have been retained by Tenant from any contractors) of all labor, and the cost of materials, fixtures and equipment incorporated in the Building or purchased, insured and stored as provided in Section 8.3(e)(i) hereof, excluding soft costs, real estate and sales taxes, PILOST and debt service payments, and the denominator of which shall be the total estimated cost of the Construction Work in connection with such Restoration, exceeds (y) all prior installments of Restoration Funds paid to Tenant excluding soft costs, real estate and sales taxes, PILOST and debt service payments. After such time as fifty percent (50%) of the Restoration is complete, the remaining portions of the Restoration Funds shall be paid to Tenant on account of work performed in connection with the Restoration, and once complete, the balance of the Restoration Funds, if any, shall be paid to Tenant.

Section 8.6 Conditions Precedent to Disbursement of Restoration Funds. The following are conditions precedent to each payment of Restoration Funds to be made to Tenant pursuant to Section 8.3(e) hereof.

(a) Certificate of Tenant. A certificate of Tenant (verified by the Architect as to items (iv) and (vi) below) shall be submitted to Depositary and Landlord stating that:

(i) The sum then requested to be withdrawn either has been paid by Tenant or is justly due to contractors, subcontractors, materialmen, engineers, architects or other Persons (whose names and addresses shall be stated), who have rendered or furnished services or materials for the work and, giving a brief description of such services and materials and the principal subdivisions or categories thereof and the several amounts so paid or due to each of such Persons with respect thereto, and stating, in reasonable detail, the progress of the Construction Work in connection with the Tenant Restoration up to the date of the certificate;

(ii) No part of such expenditures has been or is being made the basis, in any previous or then pending request, for the withdrawal of Restoration Funds or has been paid out of any of the Restoration Funds received by Tenant;

(iii) The sum then requested does not exceed the cost of the services and materials described in the certificate;

(iv) The materials, fixtures and equipment, for which payment is being requested pursuant to clause (B) of Section 8.3(e)(i) hereof, to the extent applicable, are in substantial accordance with the Approved Plans and Specifications (or such other plans and specifications approved by Landlord for purposes of the Tenant Restoration);

(v) Except in the case of the final request for payment by Tenant, the balance of the Restoration Funds held by Depositary (including any bond, cash or other security provided by Tenant in accordance with Section 8.5 hereof) shall be sufficient, upon completion of the Construction Work in connection with the Restoration, to pay for the Construction Work in full, and estimating, in reasonable detail, the total and remaining costs to complete such Construction Work, and

(vi) In the case of the final request for payment by Tenant, the Construction Work in connection with a Restoration shall have been completed, except for punch list items, in accordance with the provisions of Sections 13.2 and 13.5 hereof.

(b) Certificate of Title Insurance. There shall be furnished to Landlord a report or a certificate of a nationally-recognized title insurance company, or other evidence reasonably satisfactory to Landlord, showing that there are no (i) vendor's, mechanic's, laborer's or materialman's statutory or other similar liens filed against the Premises or any part thereof (except liens as to which Tenant shall have complied with the applicable provisions of Section 17.2), or (ii) public improvement liens created or caused to be created by Tenant affecting

Landlord or the assets of, or any funds appropriated to Landlord, except in the case of either clause (i) or (ii), (A) liens which will be discharged upon payment of the amount then requested to be withdrawn, (B) liens or encumbrances which the Restoration is intended to remove or (C) other liens expressly permitted pursuant to the terms of this Lease.

Section 8.7 Restoration Fund Deficiency. If the estimated cost (determined as provided in Section 8.4(a) hereof) of any Construction Work in connection with any Tenant Restoration exceeds the net Restoration Funds received by Depositary pursuant to Section 7.2 hereof, then, before the commencement of such Construction Work, or, at any time after commencement of such Construction Work if it is reasonably determined by Landlord that the cost to complete such Construction Work exceeds the unapplied portion of the Restoration Funds and as a condition to the disbursement of further Restoration Funds, Tenant shall, within ten (10) days of Landlord's request, furnish to Landlord evidence reasonably satisfactory to Landlord of the financial ability of Tenant to pay the amount of such excess, which evidence may, at Landlord's election, consist of a letter of credit, loan commitment, surety bond, completion guaranty (from an entity acceptable to Landlord in its reasonable discretion) or any combination of the foregoing or such other security as may be reasonably satisfactory to Landlord, in the amount of such excess.

Section 8.8 Effect of Casualty on This Lease. Except as provided herein, this Lease shall neither terminate, be forfeited nor be affected in any manner, nor shall there be a reduction or abatement of Rental by reason of damage to, or total, substantial or partial destruction of, the improvements on the Premises, or by reason of the untenantability of any part thereof, nor for any reason or cause whatsoever. Tenant's obligations hereunder, including the payment of Rental, shall continue as though the Improvements had not been damaged or destroyed and shall continue without abatement, suspension, diminution or reduction whatsoever. Notwithstanding anything to the contrary herein, if following any damage to, or destruction of, the Premises or the improvements thereon, the Gross Leasable Area of the Premises shall be reduced as a result of (i) the insurance proceeds payable for such damage or destruction being inadequate to complete a full Restoration of the Premises or (ii) a Qualified Contractor determining that (A) it is not practical to complete a full Restoration of the Premises or (B) that any part of the Restored Premises would be rendered unsuitable for the uses permitted under this Lease at the date of such damage or destruction, Rental shall be proportionally abated to account for the loss in Gross Leasable Area.

Section 8.9 Waiver of Rights under Statute. The existence of any present or future law or statute notwithstanding, Tenant waives all rights to quit or surrender the Premises or any part thereof by reason of any casualty to any Building. It is the intention of Landlord and Tenant that the foregoing is an "express agreement to the contrary" as provided in Section 227 of the Real Property Law of the State of New York.

ARTICLE 9

CONDEMNATION

Section 9.1 Substantial Taking.

(a) Termination of Lease for Substantial Taking. If all or Substantially All of the Premises is taken (excluding a taking of the fee interest in the Land if, after such taking, Tenant's rights under this Lease and the leasehold interest created thereby are not affected) for any public or quasi-public purpose by any lawful power or authority by the exercise of the right of condemnation or eminent domain or by agreement among Landlord, Tenant and those authorized to exercise such right, this Lease shall terminate on the Date of Taking and the Rental payable by Tenant hereunder shall be apportioned and paid to the Date of Taking.

(b) Disbursement of Award. If all or Substantially All of the Premises is taken or condemned as provided in Section 9.1(a) hereof, the entire award paid in connection with such taking or condemnation (net of reimbursement to Depositary, Landlord and Tenant of any reasonable costs of collection) shall be apportioned as follows: (i) there shall first be paid to Landlord so much of the award which is for or attributable to the value of the land, considered as encumbered by this Lease and the Museum Lease; (ii) there shall next be paid out of the remainder of the award, if any, to the Recognized Mortgagees in the order of the priority of their liens so much of the award as shall equal the unpaid principal indebtedness secured by the Recognized Mortgagees; (iii) there shall next be paid to Landlord so much of the award that is for or attributable to the value of Landlord's reversionary interest in the improvements made on the land during the Term and (iv) there shall next be paid to Tenant the balance of such award. Tenant shall have the right to claim separately its personal property, trade fixtures, and moving and relocation costs for itself and any Subtenants.

(c) Definitions. For purposes of this Article 9, the following terms shall have the following meanings:

(i) "Substantially All of the Premises" shall be deemed to mean such portion of the Premises as, when so taken, would leave remaining a portion of the Premises which, due either to the area so taken or the location of the part so taken in relation to the part remaining, would not, under economic conditions or under zoning or other applicable laws or building regulations then existing or prevailing, accommodate new Buildings of a character and/or for the uses similar to the Buildings existing and/or the uses herein permitted at the date of such taking and after performance of all covenants, agreements, terms and provisions herein to be performed by any party thereto and would render the remaining portions of the Premises economically unsuitable for the use and operation of the Premises as contemplated in this Lease. If Landlord and Tenant shall disagree as to whether or not "Substantially All of the Premises" has been taken, such dispute shall be resolved by arbitration in accordance with the provisions of Article 34 hereof.

(ii) "Date of Taking" shall be deemed to be the date on which the whole or substantially all of the Premises, or a part thereof, as the case may be, shall have vested in any lawful condemning authority, or the date on which actual possession thereof is acquired, whichever shall be earlier.

Section 9.2 Less Than A Substantial Taking. If less than Substantially All of the Premises shall be taken for any public or quasi-public purpose by any lawful power or authority by the exercise of the right of condemnation or eminent domain or by agreement among Landlord, (i) the condemnation proceeds shall be payable to Depositary for disbursement to Tenant in connection with the Condemnation Restoration, except that (A) if the aggregate amount of the proceeds with respect to any single taking claim is less than $250,000 (which amount shall be adjusted on the first day of each calendar year during the Term to take into account CPI for the immediately preceding calendar year), then (x) such proceeds shall be paid directly to Tenant and (y) in the event such proceeds are not paid directly to Tenant, Depositary or Landlord, as applicable, shall promptly transfer such funds to Tenant, and (ii) Tenant and those authorized to exercise such right, this Lease and the Term shall continue (except that this Lease shall terminate in respect of the portion of the Premises taken) without abatement or diminution of the Rental or of any of Tenant's other obligations hereunder. Tenant, at its sole cost and expense, whether or not the award, if any, shall be sufficient for the purpose, shall proceed diligently to repair, restore, replace and rebuild ("Restore" or a "Condemnation Restoration") any remaining part of the Buildings and/or space therein forming a part of the Premises and/or Pier 17 not so taken, so that the same shall be complete, rentable, self-contained architectural-units in good condition and repair. Notwithstanding the foregoing, if any Base Building Systems in the Museum Block or Schermerhorn Block shall be so taken so that any part of the Premises located in the Museum Block or Schermerhorn Block would be rendered unsuitable for the uses permitted under this Lease at the date of such taking, then (i) Landlord shall promptly consult with Tenant on how it intends to Restore the Base Building Systems and (ii) Tenant's obligations to Restore as set forth in this paragraph shall not arise unless Landlord shall Restore said Base Building Systems in a manner that is reasonably acceptable to Tenant.

ARTICLE 10

TRANSFERS AND SEVERANCE

Section 10.1 Landlord. Landlord may transfer or assign its interests in the Premises, or any part thereof, or its interest under this Lease, to any Person, in whole or in part, at any time, in its sole and absolute discretion.

Section 10.2 Tenant's Right to Assign, Transfer or Enter into a Sublease.

(a) Except as provided in this Article 10, neither Tenant nor a Control Affiliate shall undertake a Transfer or Severance without the prior consent of Landlord, which consent may be withheld in Landlord's sole and absolute discretion.

(b) Notwithstanding the provisions of Section 10.2(a), Tenant and each Control Affiliate (as applicable) may, without Landlord's consent but subject to the other provisions of this Article 10 including the provision of notice to Landlord:

(i) Mortgage its interest in this Lease and the leasehold estate in the Premises created hereby to one or more Recognized Mortgagee in accordance with Article 11;

(ii) Assign or Transfer the Lease pursuant to a bona fide foreclosure proceeding or a bona fide assignment in lieu of foreclosure, to a Recognized Mortgagee or its Affiliate or designee, provided, however, that such Assignee, Transferee or Major Subtenant shall be a Permitted and Qualified Transferee;

(iii) consummate a Recognized Mezzanine Financing;

(iv) Assign or Transfer an interest in Tenant or a Control Affiliate pursuant to a bona fide foreclosure proceeding or a bona fide assignment in lieu of foreclosure, in connection with a Recognized Mezzanine Financing, provided, however, that such Assignee, Transferee or Major Subtenant shall be a Permitted and Qualified Transferee;

(v) Assign or sublease its interest in the Lease to any public instrumentality for purposes of obtaining tax-exempt financing;

(vi) Enter into Subleases for the Premises in accordance with this Section 10.2;

(vii) Enter into Severance Leases in accordance with Section 10.8 hereof;

(viii) Sell, transfer or issue stock or other equity interests, or permit members to sell, transfer or issue stock or other equity interests, in Tenant or a Control Affiliate which is effected through the "over-the-counter market" or through any nationally recognized stock exchange;

(ix) Transfer, directly or indirectly, by merger, consolidation or otherwise, Equity Interests in the Howard Hughes Corporation or any Control Affiliate thereof, or enter into a transaction involving the sale of all or substantially all of the assets of the Howard Hughes Corporation or any Controlled Affiliate provided that such

Transfer is not undertaken for the purpose of avoiding the limitations on Transfer otherwise set forth in this Lease;

(x) Assign or Transfer an interest in Tenant or a Control Affiliate to any wholly-owned Affiliate thereof.

(c) Notwithstanding the provisions of Section 10.2(a), after Substantial Completion of the Initial Renovation Work, Tenant or any Control Affiliate may, without Landlord's consent but subject to the other provisions of this Article 10, including the provision of notice to Landlord , undertake a Transfer to a Permitted and Qualified Transferee, provided that upon such Transfer the Premises continues to be managed by a Qualified Manager. In no event shall Transfers to an Unqualified Person be permitted.

(d) Definitions.

(i) "Assignment" means the sale, exchange, assignment or other disposition of all or any portion of the interest of Tenant in this Lease or the leasehold estate created hereby whether by operation of law or otherwise, including a foreclosure sale or an assignment in lieu of foreclosure.

(ii) "Assignee" means an assignee under an Assignment.

(iii) "Equity Interest" means, with respect to any entity, (A) the ownership of (i) outstanding stock of such entity if such entity is a corporation, a real estate investment trust or a similar entity, (ii) a capital, membership, or partnership interest in such entity if such entity is a limited liability company, partnership or joint venture, (iii) interest in a trust if such entity is a trust, or (B) any other interest that is the functional equivalent of any of the foregoing.

(iv) "Major Sublease" means a Sublease of all or substantially all of the Premises.

(v) "Major Subtenant" means a Subtenant under a Major Sublease.

(vi) "Permitted and Qualified Transferee" shall mean a Person who, at the time of a Transfer, (A) (1) together with any Affiliates has an aggregate net worth of at least $250,000,000 (increased annually after the date hereof at the rate of 3%) or (2) a long-term unsecured debt rating of "BB+" (or its equivalent) or better from a nationally recognized credit rating agency, (B) either (1) directly or through its Control Affiliates, owns and/or manages, and has not less than seven (7) years' experience in the ownership

and/or management of at least 1,500,000 square feet of retail space, or (2) retains a Qualified Manager, (C) is of sufficient financial condition to perform the obligations to be assumed by such proposed Assignee, Landlord having been furnished with evidence reasonably satisfactory to Landlord of such financial condition; provided, however, that if the proposed Transferee complies with clause (A)(1) or (A)(2) above, it shall be deemed to satisfy this requirement; and (D) is not an Unqualified Person.

(vii) "Qualified Manager" shall mean each of (A) Tenant and any Affiliate thereof and (B) an entity that satisfies the requirements set forth in clause (B)(1) of Section 10.2(d)(vi) above at the time of its appointment.

(viii) "Sublease(s)" means all subleases (including a Major Sublease, sub-subleases and any further level of subletting), occupancy, license or concession agreements.

(ix) "Subtenant(s)" means all subtenants (including Major Subtenants), operators, licensees, franchisees, concessionaires and other occupants of the Premises or any portion thereof.

(x) "Transfer" means (1) any direct or indirect sale, transfer, Assignment or Sublease of all or substantially all of either Tenant's or a Control Affiliate's interest (including without limitation, the sale, transfer issuance or other admission of additional equity holders in any entity holding any of the foregoing) in any one or more of (A) Tenant, (B) the individual parcels included in the Premises, Restoration Project elements or Severance Leases (C) this Lease, (D) any operating agreement to be entered into by Tenant with regard to any of the Project elements or (E) any other document entered into by Landlord and Tenant with respect to the Premises, (2) the issuance of additional stock or Equity Interests in any entity that is Tenant or that is a general partner or managing member of any entity that is Tenant, if the issuance of such additional Equity Interests would result in a change of more than ten (10%) percent in vote of the Equity Interests of such Person from the time when such entity became Tenant or a general partner or managing member of any entity that is Tenant , but shall exclude, in each case, (x) the sale, transfer or issuance of stock or other equity interests that is effected through the “over-the-counter market” or through any nationally recognized stock exchange and (y) any merger or consolidation of a Control Affiliate with any other Person (other than an Unqualified Person) or a sale of all or substantially all of the assets of a Control Affiliate to any Person (other than an Unqualified Person).

(xi) "Transferee" means a Person to which a Transfer is made.

(e) Required Disclosure Statements. An Assignee, Transferee or Major Subtenant shall deliver to Landlord the Required Disclosure Statement in form and substance

reasonably satisfactory to Landlord, provided that if any modification to the form of such Required Disclosure Statement is not acceptable to Landlord, acting in its reasonable discretion, then the applicable Transfer shall be void ab initio;

(f) Limitations on Right to Assign, Transfer or Enter into a Major Sublease. Notwithstanding anything set forth in this Article 10 to the contrary, Tenant shall have no right to enter into an Assignment, Transfer or a Major Sublease:

(i) If on the effective date of such Assignment, Transfer or Major Sublease, there is an Event of Default that has occurred and is continuing, unless (A) Tenant cures such Event of Default, or (B) Landlord waives such Event of Default concurrently with such Assignment, Transfer or Major Sublease, (C) in connection with any foreclosure of a Mortgage or a transfer in lieu of a foreclosure of a Mortgage, a Recognized Mortgagee or any Affiliate or nominee of a Recognized Mortgagee shall become Tenant in compliance with the terms of this Lease, (D) in connection with any foreclosure pursuant to a Recognized Mezzanine Financing or a transfer in lieu of any such foreclosure, a Recognized Mezzanine Lender or any Affiliate or nominee of a Recognized Mezzanine Lender shall own Tenant, directly or indirectly, in compliance with the terms of this Lease or (E) it involves the sale or transfer of stock that is publicly traded on a stock exchange; or

(ii) If the proposed Assignee, Transferee or Major Subtenant fails to deliver a Required Disclosure Statement as provided in Section 10.2(e) in form and substance acceptable to Landlord acting in its sole discretion, unless it involves the sale or transfer of stock that is publicly traded on a stock exchange.

(g) Assignment, Transfer or Major Sublease Instruments. Tenant shall deliver to Landlord, or shall cause to be delivered to Landlord, within thirty (30) days after the execution thereof, (i) in the case of an Assignment, an executed counterpart of the instrument of Assignment and an executed counterpart of the instrument of assumption by the Assignee of Tenant's obligations under this Lease, to be in form and substance reasonably satisfactory to Landlord, provided that in the case of an Assignment pursuant to a foreclosure proceeding, or an assignment in lieu of foreclosure, the Assignee's obligations shall be limited to payment of Rental and the satisfaction of the other obligations of Tenant which are capable of being performed by such Assignee, whether accruing prior to, on, or after the effective date of such Assignment, (ii) in the case of a Transfer, an executed counterpart of the instrument of Transfer, and if the Transfer is effected through admission of a new or substitute partner of Tenant all relevant amendments to the partnership agreement and, if applicable, the certificate of limited partnership, and (iii) in the case of a Major Sublease, an executed counterpart of the Major Sublease.

(h) Condominium Conversion. Tenant shall not, without the prior consent of Landlord, which consent may be withheld in Landlord's sole discretion, submit Tenant's

leasehold estate in the Premises, or any part thereof, to the provisions of Article 9-B of the Real Property Law of the State of New York, as it may be amended.

(i) Subleases. Nothing herein set forth shall require Tenant to obtain Landlord's consent to a Sublease which is not a Major Sublease so long as (i) the Sublessee is not an Unqualified Person and (ii) the Sublease conforms to the requirements of Section 10.5(a) hereof and is consistent with Article 23 hereof.

Section 10.3 Subtenant Violation. A violation or breach of any of the terms, provisions or conditions of this Lease that results from, or is caused by, an act or omission by a Subtenant shall not relieve Tenant of Tenant's obligation to cure such violation or breach.

Section 10.4 Collection of Subrent by Landlord. After an Event of Default and provided that Landlord has elected to terminate this Lease pursuant to the provisions of Section 24.2 hereof, Landlord may, subject to the rights of any Recognized Mortgagee, collect rent and all other sums due under any Subleases and apply the net amount collected to the Rental payable by Tenant hereunder. No such collection shall be, or shall be deemed to be, a waiver of any agreement, term, covenant or condition of this Lease nor the recognition by Landlord of any Subtenant as a direct tenant of Landlord nor a release of Tenant from performance by Tenant of its obligations under this Lease. Following the cure of any such Event of Default, such right of collection shall terminate and Landlord shall not again exercise such right unless and until the occurrence of a subsequent Event of Default.

Section 10.5 Sublease Assignment

(a) Assignment of Subleases to Landlord. As security for Tenant's obligations hereunder, Tenant hereby assigns, transfers and sets over unto Landlord, subject to any assignment of Subleases and/or rents made in connection with any Recognized Mortgage, all of Tenant's right, title and interest in and to all Subleases and hereby confers upon Landlord, its agents and representatives a right of entry in, and sufficient possession of, the Premises, effective upon the occurrence of an Event of Default and provided that Landlord has elected to terminate this Lease pursuant to the provisions of Section 24.2 hereof, to permit and ensure the collection by Landlord of all sums payable under the Subleases. The exercise of such right of entry and qualified possession by Landlord shall not constitute an eviction of Tenant from the Premises or any portion thereof. If such right of entry and possession is denied to Landlord, its agents or representatives, Landlord, in the exercise of this right, may use all legal means to recover possession of the Premises. This assignment, although presently effective, shall be operative only upon the occurrence and during the continuance of an Event of Default and not before and in all instances the rights of the Landlord under this Section 10.5 shall be subject and subordinate to the rights of any Recognized Mortgagee.

(b) Schedule of Subleases. At any time upon Landlord's demand, Tenant shall deliver to Landlord, within fifteen (15) days of such demand, (i) a schedule of all Subleases, giving the names of all Subtenants, a description of the space that has been sublet, expiration dates, rentals and such other information as Landlord reasonably may request, and (ii) a

photostatic copy of each of the Subleases to the extent not previously delivered. Upon reasonable request of Landlord, Tenant shall permit Landlord and its agents and representatives to inspect original counterparts of all Subleases.

Section 10.6 Required Sublease Clauses. Each Sublease shall provide that:

(a) It is subordinate and subject to this Lease;

(b) Except for security deposits and any other amounts deposited with Tenant or with any Recognized Mortgagee in connection with the payment of insurance premiums, real property taxes and assessments and other similar charges or expenses, Subtenant shall not pay rent or other sums payable under the Sublease to Tenant for more than one (1) month in advance; and

(c) At Landlord's option, on the termination of this Lease pursuant to Article 24 hereof, the Subtenant shall attorn to, or shall enter into a direct lease on terms identical to its Sublease with, Landlord for the balance of the unexpired term of the Sublease.

Section 10.7 Subtenant Non-Disturbance.

(a) Landlord, for the benefit of any Subtenant whose Sublease was made in accordance with the applicable provisions of this Article, shall recognize such Subtenant as the direct tenant of Landlord upon the termination of this Lease pursuant to the provisions of Article 24 hereof, provided (i) Subtenant delivers to Landlord a Required Disclosure Statement without any modifications thereto that are not acceptable to Landlord acting in its reasonable discretion, (ii) Tenant has certified to Landlord, at the time the Sublease was executed, that the terms and conditions of such Sublease were negotiated at "arm's-length" transaction and that, to the best of Tenant's belief, the rent and other moneys payable by the Subtenant in accordance with the terms of its Sublease, after taking into account any escalations, renewal rent, credits, offsets or deductions to which such Subtenant may be entitled thereunder and other relevant terms and provisions of the Sublease, represent the then fair rental value of the space demised thereunder, and (iii) at the time of the termination of this Lease (A) no default exists under such Sublease beyond the expiration of any applicable cure period, which at such time would permit the landlord thereunder to terminate the Sublease or to exercise any remedy for dispossession provided for therein, and (B) such Subtenant delivers to Landlord an instrument confirming the agreement of the Subtenant to attorn to Landlord and to recognize Landlord as the Subtenant's landlord under its Sublease, which instrument shall provide that neither Landlord, nor anyone claiming by, through or under Landlord, shall be:

(A) liable for any act or omission of any prior landlord (including, without limitation, the then defaulting landlord) other than those of a continuing or on-going nature;

(B) subject to any counterclaims, offsets or defenses that such Subtenant may have against any prior landlord (including, without limitation, the then defaulting landlord) other than those of a continuing or on-going nature;

(C) bound by any payment of rent that such Subtenant might have paid for more than the current month to any prior landlord (including, without limitation, the then defaulting landlord), except for security deposits and any other amounts deposited with any prior landlord (including, without limitation, the then defaulting landlord) in connection with the payment of insurance premiums, real property taxes and assessments or other similar charges or expenses;

(D) bound by any covenant to undertake or complete any construction of the Premises or any portion thereof demised by the Sublease (other than normal maintenance and repair or in connection with a casualty or condemnation, subject to clauses (I) and (J) below);

(E) bound by any obligation to make any payment to the Subtenant except with respect to (i) any amount payable from a fund, reserve, deposit, credit, receipt or other amount if actually held or received by Landlord for such purpose, or (ii) any obligation which arises after attornment; or

(F) bound by any amendment thereto or modification thereof made following the occurrence of an Event of Default or otherwise on terms which deviate in material respects from "market" terms unless Landlord shall have approved in writing such amendment or modification; or

(G) liable for any asbestos or other hazardous or toxic substance present either at the Premises or at any other structure constructed by or on behalf of any prior Landlord; or

(H) if the Landlord is the City, obligated to procure any insurance covering any risk for which the City generally self-insures; or

(I) subject to any right of cancellation or termination which requires payment by the landlord thereunder of a charge, fee or penalty for such cancellation or termination, except if landlord thereunder voluntarily exercises such right or cancellation or termination other than as a result of a casualty or condemnation; or

(J) be obligated to give Subtenant all or any portion of any insurance proceeds or condemnation awards payable to Landlord as a result of a casualty or condemnation other than for trade fixtures and personalty (such as inventory) of Subtenant.

Such instrument may contain such substitutions for and modifications of the foregoing and such additional provisions as Landlord and a Subtenant may request of the other and as the other may agree to, each acting in their reasonable discretion.

(b) If Landlord recognizes a Subtenant as a direct tenant as provided in the preceding subsection (a), and if said Subtenant's Sublease provided for payments by such Subtenant of a portion of any payments in lieu of taxes payable by Tenant under this Lease, then said Sublease, having become a direct lease from Landlord to Subtenant, shall be construed to continue to provide for said payment of such portion and the amount of payments in lieu of taxes on which such proportional payment is based shall continue to be calculated as provided herein notwithstanding that this Lease shall have terminated.

Section 10.8 Severance Leases. This Lease shall be modified at Tenant's request at any time after Substantial Completion of the Initial Renovation Work by subtracting from the Premises a Severable Premises, in each case without Landlord's prior consent, subject to the provisions of this Section 10.8 (a "Severance"), provided that a Severance that subtracts only the entire Upland Premises from the Premises may be undertaken prior to Substantial Completion of the Initial Renovation Work. Landlord shall not unreasonably withhold its consent to a Severance prior to Substantial Completion of the Initial Renovation Work in connection with a lease to an Anchor Tenant where the proposed Anchor Tenant desires to commence the build-out of its premises prior to, and on a parallel schedule with, Tenant's efforts to achieve Substantial Completion of the Initial Renovation Work.

(a) A Severance shall not become effective until a lease for a Severable Premises (the "Severance Lease") has been executed. Should Severance occur prior to Substantial Completion of the Tenant Work, Tenant shall remain as tenant under both the Severance Lease and this Lease until such time as Substantial Completion of the Tenant Work occurs, whereupon Tenant may Transfer the Severance Lease in accordance with this Article 10.

(b) The Severance Lease shall apportion Rental (including the Esplanade Payment) and maintenance obligations between the Severance Lease and this Lease on the basis of the fair market rental value of the premises under the Severance Lease in relation to the fair market rental value of the Premises, as such values are set forth in an appraisal to be conducted no more than six (6) months prior to Severance. The scope of said appraisal shall be prepared by Lease Administrator in accordance with its policies and reviewed and approved by Tenant, in its reasonable discretion. Such appraisal shall be conducted in the manner provided in Article 356 hereof.

(c) If this Lease shall expire or otherwise terminate, the same shall not result in the expiration or termination of, or otherwise affect the Severance Lease. The expiration or other termination of the Severance Lease shall not result in the expiration or termination of, or otherwise affect, this Lease.

(d) In the event that Tenant elects to create a Severance Lease, Landlord will reasonably cooperate with Tenant to implement such Severance Lease including, without limitation, by executing any necessary reciprocal easement and operating agreements and a recognition and subordination agreement in favor of the Person subleasing the space pursuant to such Severance Lease.

ARTICLE 11

PERMITTED FINANCINGS

Section 11.1 Effect of Mortgages.

(a) No Effect on Landlord's Interest in Premises. No Mortgage shall extend to, affect or be a lien or encumbrance upon, the estate and interest of Landlord in the Premises or any part thereof.

(b) "Mortgage" means any mortgage or deed of trust that constitutes a lien on all or any portion of Tenant's interest in this Lease and the leasehold estate created hereby.

Section 11.2 Mortgagee's Rights.

(a) Mortgagee's Rights Not Greater than Tenant's. With the exception of the rights granted to Recognized Mortgagees pursuant to the provisions of Sections 11.3, 11.4, 11.7 and 11.9 hereof, the execution and delivery of a Mortgage or a Recognized Mortgage shall not give nor shall be deemed to give a Mortgagee or a Recognized Mortgagee any greater rights against Landlord than those granted to Tenant hereunder.

(b) "Recognized Mortgage" means a Mortgage (i) that is held by an Institutional Lender (or a corporation or other entity wholly owned by an Institutional Lender) that is not an Unqualified Person; (ii) which shall comply with the provisions of this Article 11; (iii) a photostatic copy of which has been delivered to Landlord, together with a certification by Tenant and the Mortgagee confirming that the photostatic copy is a true copy of the Mortgage and giving the name and post office address of the holder thereof; and (iv) which is recorded in the Office of the City Register, New York County.

(c) Certain Financings. Notwithstanding the provisions of Article 10 or Article 11 hereof, in the event that Tenant shall desire to enter into a financing transaction where

it is proposed that a regional center under the Immigrant Investor Program of the United States Department of Homeland Security, Office of Citizenship and Immigration Services or its successor programs would be the sponsor of an investment vehicle that would be the holder of a Recognized Mortgage or Recognized Mezzanine Financing (any of the foregoing being hereinafter referred to as an "EB-5 Financing" and the entity providing such financing being hereinafter referred to as an "EB-5 Lender"), then Tenant shall deliver Landlord written notice describing such financing transaction in reasonably satisfactory detail and Tenant and Landlord shall cooperate and negotiate in good faith in order to permit Tenant to enter into such financing transaction on such terms, and with such limitations, as may be required by Landlord in its sole discretion, including, without limitation, provisions requiring a developer, owner, asset manager and/or property manager with certain qualifications and experience to be involved in the ownership, management and operation of the Project including after the exercise of remedies by such lending institution. In no event shall Tenant have the right to enter into any EB-5 Financing without the prior consent of Landlord, such consent to be granted, withheld or conditioned in Landlord's sole discretion; provided, however, that Landlord shall not have the right to consent to, or impose any conditions upon, any EB-5 Financing if (i) at the time of the origination of the EB-5 Financing, (i) such EB-5 Financing is subordinate to another Mortgage or Mortgages held by a Recognized Mortgagee that does not constitute an EB-5 Financing, provided such senior Mortgage or Mortgages secure loans in an aggregate maximum original principal amount (whether or not then drawn) of not less than $25,000,000 (it being understood that an EB-5 Financing shall constitute a Recognized Mortgage or Recognized Mezzanine Loan, as the case may be, after Mortgages senior to the EB-5 Financing have been satisfied), (ii) such EB-5 Financing shall not evidence indebtedness in excess of $50,000,000, and (iii) the documents evidencing and securing the EB-5 Financing provide that if the EB-5 Lender acquires Tenant's interest in the Lease or in Tenant, as applicable, then (x) if such acquisition occurs prior to Substantial Completion, such EB-5 Lender shall, prior to or simultaneously with such acquisition, retain a developer reasonably experienced in development projects of a scale and complexity similar to that of the Renovation Project to complete the Project, or (y) if such acquisition occurs after Substantial Completion, such EB-5 Lender shall, prior to such acquisition, either (A) hire and maintain a Qualified Manager; or (B) continue to employ as of the effective date of the acquisition the Qualified Manager employed at the Premises immediately prior to the acquisition or such other personnel in such capacities as are reasonably acceptable to Landlord.

Section 11.3 Notice and Right to Cure Tenant's Defaults.

(a) Notice to Recognized Mortgagee. Landlord shall give to each Recognized Mortgagee, at the address of the Recognized Mortgagee stated in the certification referred to in Section 11.2(b) hereof, or in any subsequent notice given by the Recognized Mortgagee to Landlord, and otherwise in the manner pursuant to the provisions of Article 25 hereof, a copy of each notice of Default at the same time as it gives notice of Default to Tenant, and no such notice of Default shall be deemed effective unless and until a copy thereof shall have been so given to each Recognized Mortgagee.

(b) Right and Time to Cure. Subject to the provisions of Section 11.6 hereof, each Recognized Mortgagee shall have a period of (i) fifteen (15) days more, in the case of a

Default in the payment of Rental, and (ii) sixty (60) days more, in the case of any other Default, than is given Tenant under the provisions of this Lease to remedy the Default, cause it to be remedied, or cause action to remedy a Default mentioned in Section 24.1(e) hereof to be commenced provided such Recognized Mortgagee delivers to Landlord, within ten (10) days after the expiration of the time given to Tenant pursuant to the provisions of this Lease to remedy the event or condition which would otherwise constitute a Default hereunder, its written agreement to take the action described in clauses (i) and (ii) herein. At any time after the delivery of the aforementioned agreement, the holder of such Recognized Mortgage may notify Landlord, in writing, that it has relinquished possession of the Premises or that it will not institute foreclosure proceedings or, if such proceedings shall have been commenced, that it has discontinued such proceedings, and, in either event the liability of the holder of such Recognized Mortgage for the period prior to delivery of such notice, shall be limited as set forth in Section 42.10 hereof as if "Recognized Mortgagee" were "Tenant" and the Recognized Mortgagee shall have no further liability under such agreement from and after the date on which it delivers notice to the Landlord. Thereupon, Landlord shall have the unrestricted right to terminate this Lease and to take any other action it deems appropriate by reason of any Event of Default which occurred prior to Landlord's delivery to Tenant of notice of the termination of this Lease, and, upon any such termination, the provisions of Section 11.4 hereof shall apply.

(c) Acceptance of Recognized Mortgagee's Performance. Subject to the provisions of Section 11.6 hereof, Landlord shall accept performance by a Recognized Mortgagee of any covenant, condition or agreement on Tenant's part to be performed hereunder with the same force and effect as though performed by Tenant.

(d) Commencement of Performance by Recognized Mortgagee for Non-Rental Defaults. No Event of Default (other than an Event of Default arising from the nonpayment of Rental) shall be deemed to have occurred if, within the period set forth in Section 11.3(b) hereof, a Recognized Mortgagee shall have:

(i) In the case of a Default that is curable without possession of the Premises by the Recognized Mortgagee, commenced in good faith to cure the Default within the periods provided in subsection (b) above and is prosecuting such cure to completion with reasonable diligence (subject to Unavoidable Delay); or

(ii) In the case of a Default where possession of the Premises is required in order to cure the Default, or is a Default that is otherwise not susceptible of being cured by a Recognized Mortgagee, if a Recognized Mortgagee shall proceed promptly to institute foreclosure proceedings, and shall prosecute the foreclosure proceedings with reasonable diligence (subject to Unavoidable Delay) to obtain possession of the Premises and, upon obtaining possession of the Premises, shall promptly commence to cure the Default (other than a Default which is not susceptible of being cured by a Recognized Mortgagee) and prosecute such cure to completion with reasonable diligence (subject to Unavoidable Delay).

(e) No Merger. So long as any Recognized Mortgage is in existence, unless all holders of Recognized Mortgages shall otherwise express their consent in writing, the fee title to the Premises and the leasehold estate of Tenant created by this Lease shall not merge, but shall remain separate and distinct, notwithstanding the acquisition of both fee title to the Premises and the leasehold estate by Landlord, or by Tenant, or by any Recognized Mortgagee or by any other party.

Section 11.4 Execution of New Lease.

(a) Notice of Termination. If this Lease is terminated by reason of an Event of Default or otherwise, Landlord shall give prompt notice thereof to each Recognized Mortgagee. Such notice shall set forth in reasonable detail a description of all defaults, to the actual knowledge of Landlord, in existence at the time the Premises were acquired by Landlord.

(b) Request for and Execution of New Lease. If, within thirty (30) days of the receipt (as shown on proof of service or return receipt) of the notice referred to in Section 11.4(a) hereof, a Recognized Mortgagee shall request a new lease, then subject to the provisions of Sections 11.4(c) and Section 11.6 hereof, within thirty (30) days after Landlord shall have received such request, Landlord shall execute and deliver a new lease of the Premises for the remainder of the Term to the Recognized Mortgagee, or any designee or nominee of the Recognized Mortgagee that delivers to Landlord a Required Disclosure Statement without any modifications thereto that are not acceptable to Landlord acting in its sole discretion. If Landlord is not then allowed to enter into such new lease by order of a court of competent jurisdiction, the Recognized Mortgagee shall be deemed to have properly requested a new lease pursuant to this Section 11.4(b) and Landlord, subject to the provisions of Section 11.4(c), shall deliver such new lease promptly after the restriction on such new lease by order of a court of competent jurisdiction is lifted. The new lease shall contain all of the covenants, conditions, limitations and agreements contained in this Lease, provided however, that Landlord shall not be deemed to have represented or covenanted that such new lease shall be superior to claims of Tenant, its other creditors or a judicially appointed receiver or trustee for Tenant. Notwithstanding the foregoing, if the Recognized Mortgagee shall request a new lease pursuant to this Section 11.4(b), Landlord shall not voluntarily encumber the Premises during the period following termination of this Lease and delivery of a new lease pursuant to this Section 11.4(b).

(c) Conditions Precedent to Landlord's Execution of New Lease. The provisions of Section 11.4(b) hereof notwithstanding, Landlord shall not be obligated to enter into a new lease with a Recognized Mortgagee unless the Recognized Mortgagee (i) shall pay to Landlord, concurrently with the execution and delivery of the new lease, all Rental due under this Lease up to and including the date of the commencement of the term of the new lease (excluding penalties and interest thereon) and all expenses, including, without limitation, reasonable attorneys' fees and disbursements and court costs, incurred in connection with the Default or Event of Default, the termination of this Lease and the preparation of such new lease, if and to the extent such expenses would be collectible under this Lease from Tenant, (ii) except in the case of an Event of Default described in Sections 24.1(b), and (k) through (n) hereof, shall

promptly after receipt from Landlord of a statement of the Default required to be cured, cure all Defaults then existing under this Lease (as though the Term had not been terminated), and (iii) shall deliver to Landlord a statement, in writing, acknowledging that Landlord, by entering into such new lease with such Recognized Mortgagee or such designee or nominee, shall not have or be deemed to have waived any Defaults or Events of Default then existing under this Lease (other than the Defaults or Events of Default mentioned in Section 24.1(b) and (k) through (n) hereof which Landlord shall be deemed to have waived) notwithstanding that any such Defaults or Event of Default existed prior to the execution of such new lease and that the breached obligations which gave rise to the Defaults or Event of Default are also obligations under such new lease.

(d) No Waiver of Default. The execution of a new lease shall not constitute a waiver of any Default existing immediately before termination of this Lease and, except for a Default which is not susceptible of being cured by the Recognized Mortgagee, the tenant under the new lease shall cure, within the applicable periods set forth in Section 24.1 hereof as extended by Section 11.3(b) hereof, all Defaults (except those described in Section 24.1(b), and (k) through (n) hereof) specified in Landlord's statement of Defaults referred to in Section 11.4(c) hereof existing under this Lease immediately before its termination. Notwithstanding anything to the contrary, if after the Recognized Mortgagee requests a new lease the Recognized Mortgagee is given notice of a material Default existing before the request for the new lease was made and which was not previously disclosed to the Recognized Mortgagee by a notice from Landlord, then at any time within ten (10) days after such notice is given, the assignee may relinquish possession of the Premises and cancel this Lease by notice to Landlord. Thereupon, Landlord shall have the right to terminate this Lease, subject to Section 11.6, without offering the Recognized Mortgagee the right to continue this Lease pursuant to Section 11.5, and the Recognized Mortgagee shall have no further rights to a new lease thereunder.

(e) Assignment of Depositary Proceeds. Concurrently with the execution and delivery of a new lease pursuant to the provisions of Section 11.4(b) hereof, Landlord shall assign to the tenant named therein all of its right, title in and interest to moneys (including insurance proceeds and condemnation awards), if any, then held by, or payable to, Landlord or Depositary that Tenant would have been entitled to receive but for the termination of this Lease. Any sums then held by, or payable to, Depositary, shall be deemed to be held by, or payable to, Depositary as depositary under the new lease.

(f) Assignment of Subleases. Upon the execution and delivery of a new lease pursuant to the provisions of Section 11.4(b) hereof, all Subleases that have been assigned to Landlord shall be assigned and transferred, together with any security or other deposits received by Landlord and not applied under such Subleases, without recourse, by Landlord to the tenant named in the new lease. Between the date of termination of this Lease and the date of the execution and delivery of the new lease, if a Recognized Mortgagee has requested a new lease as provided in Section 11.4(b) hereof, Landlord shall not materially modify or amend, or cancel any Sublease or accept any cancellation, termination or surrender thereof (unless such termination is effected as a matter of law upon the termination of this Lease or terminated by the terms of the

Sublease) or enter into any new Sublease without the consent of the Recognized Mortgagee or such designee or nominee.

Section 11.5 Continuation of Lease.

(a) Notice of Termination. In accordance with Section 11.4(a), Landlord shall promptly deliver to each Recognized Mortgagee a copy of any termination notice delivered by Landlord to Tenant pursuant to Section 24.2(b). A Recognized Mortgagee shall have the right, within thirty (30) days after the delivery of the termination notice to such Recognized Mortgagee, to elect to continue this Lease in lieu of requesting a new lease by notice to Landlord, subject to the further conditions of this Section 11.5. Such right may be exercised, in accordance with the terms and conditions set forth in clauses (a) and (b) of this Section 11.5, by a Recognized Mortgagee, or any designee or nominee of a Recognized Mortgagee.

(b) Assignment or Continuation of Lease. If a Recognized Mortgagee elects to continue this Lease by notice given to Landlord within such thirty (30) day period (the "Continuation Notice"), then effective upon the delivery of such notice, Tenant shall be deemed to have assigned to such Recognized Mortgagee, or any such designee or nominee, as the case may be, all of Tenant's right, title and interest in and to this Lease and the leasehold estate in the Premises and Buildings created hereunder, including the subleases and security deposits thereunder referred to in Section 11.5(g), and Tenant shall, at Landlord's request, execute and deliver to Landlord and such Recognized Mortgagee such instruments of assignment and related transfer tax documents as Landlord and such Recognized Mortgagee may request (in form reasonably satisfactory to Landlord and such Recognized Mortgagee) to evidence such assignment. If Tenant fails to execute and deliver any such instrument of assignment or related transfer tax documents, such Recognized Mortgagee shall be entitled to do so on Tenant's behalf, and Tenant hereby appoints such Recognized Mortgagee as its attorney-in-fact, which appointment shall be deemed to be coupled with an interest and is irrevocable, for the sole purpose of executing and delivering such assignment and any transfer tax documents. The execution and delivery of such instruments, however, shall not be required to effect the assignment of this Lease to such Recognized Mortgagee or such nominee or designee. In no event shall Landlord be obligated to pay any transfer taxes in connection with such assignment.

(c) Conditions Precedent to Assignment or Continuation of Lease. The provisions of Section 11.5(a) and (b) hereof notwithstanding, a Recognized Mortgagee shall have no right to continue this Lease (i) unless the Recognized Mortgagee (A) pays to Landlord, concurrently with the delivery of the Continuation Notice, all Rental due under this Lease up to and including the date of the Continuation Notice and all expenses, including reasonable attorneys' fees and disbursements and court costs, incurred by Landlord in connection with (1) the enforcement of Landlord's rights and remedies with respect to all Defaults or Events of Default in existence at the time of the termination notice (to the extent set forth in the notice to be delivered pursuant to Section 11.5(a) hereof), and (2) the review of any assignments and other instruments or documents prepared in connection with the Recognized Mortgagee's election, (B) except in the case of an Event of Default described in Sections 24.1(b) and (k) through (n) hereof,

promptly after receipt from Landlord of a statement of the Default required to be cured, cures all Defaults then existing under this Lease (as though the Term had not been terminated), and (C) delivers to Landlord a statement, in writing, acknowledging (I) that Landlord, by continuing the Lease with such Recognized Mortgagee, shall not have or be deemed to have waived any Defaults or Events of Default then existing under this Lease (other than the Defaults or Events of Default mentioned in Section 24.1(b) and (k) through (n) hereof which Landlord shall be deemed to have waived) notwithstanding that any such Defaults or Event of Default existed prior to the continuation of the Lease and (II) that the breached obligations which gave rise to the Defaults or Event of Default remain obligations under such continued Lease, or (ii) if by order of a court of competent jurisdiction the parties are not entitled to continue this Lease and effect the assignment thereof to the Recognized Mortgagee. Nothing herein shall be construed to qualify the Recognized Mortgagee's obligation to commence and complete construction of the Buildings following assignment of the Lease, subject to Section 11.3.

(d) No Waiver of Default. The assignment of this Lease pursuant to this Section 11.5 shall not constitute a waiver of any Default existing immediately before the termination of this Lease, and the Tenant under the assigned Lease shall (other than with respect to Events of Default described in Sections 24.1(b) and (j) through (n)) cure all other Defaults existing under this Lease immediately before its assignment of which the Recognized Mortgagee has been given notice pursuant to Section 11.5(a) or, to the extent any such Defaults were not then known by Landlord, is thereafter given notice. Such cure shall be accomplished within the longer of (i) the period of cure remaining to the Recognized Mortgagee pursuant to Section 24.1 hereof or (ii) the applicable periods set forth in Section 11.3(b) of this Lease (which applicable periods shall commence with the execution and delivery of the assignment of this Lease (or upon the deemed assignment of this Lease, as applicable) for each such default of which the Recognized Mortgagee received notice prior to the delivery of the Continuation Notice or, if notice of any such Default had not then been given until after delivery of the Continuation Notice, upon the delivery of such notice). Notwithstanding anything to the contrary, if after the Recognized Mortgagee delivers a Continuation Notice pursuant to Section 11.5(a) the Recognized Mortgagee is given notice of a material Default existing before the Continuation Notice and which was not previously disclosed to the Recognized Mortgagee by a notice from Landlord, then at any time within ten (10) days after such notice is given the assignee may relinquish possession of the Premises and cancel this Lease by notice to Landlord. Thereupon, Landlord shall have the right to terminate this Lease, subject to Section 11.6, without offering the Recognized Mortgagee a new lease pursuant to Section 11.4, and the Recognized Mortgagee shall have no further rights to a new or continued lease thereunder.

(e) Assignment of Depositary Proceeds. Concurrently with the assignment of this Lease pursuant to the provisions of Section 11.5(b) hereof, Landlord shall assign to the tenant named therein all of its right, title in and interest to moneys (including insurance proceeds and condemnation awards), if any, then held by, or payable to, Landlord or Depositary that Tenant would have been entitled to receive but for the assignment of this Lease. Any sums then held by, or payable to, Depositary, shall be deemed to be held by, or payable to, Depositary as depositary under the Lease as assigned.

(f) Assignment of Subleases. Upon the assignment of this Lease pursuant to the provisions of Section 11.5(b) hereof, all Subleases that have been assigned to Landlord shall be assigned and transferred, together with any security or other deposits received by Landlord and not applied under such Subleases, without recourse, by Landlord to the tenant named in the Lease, as assigned. Between the date of the notice of termination of this Lease and the date of the assignment of this Lease, if a Recognized Mortgagee has elected to continue this Lease as provided in Section 11.5(b) hereof, Landlord shall not materially modify or amend, or cancel any Sublease or accept any cancellation, termination or surrender thereof (unless such termination is effected as a matter of law upon the termination of this Lease or terminated by the terms of the Sublease) or enter into any new Sublease without the consent of the Recognized Mortgagee or such designee or nominee.

(g) Credits. Any rent credits to which Tenant is entitled under this Lease and which have not been exhausted at the time this Lease is assigned shall inure to the benefit of the tenant under this Lease, as assigned pursuant to Section 11.5(b) hereof.

(h) New Lease. Notwithstanding anything to the contrary contained in this Section 11.5, if a Recognized Mortgagee fails to elect to continue this Lease within the thirty (30) day period referred to in Section 11.5(a), then, subject to Section 11.54, this Lease shall terminate effective upon the expiration of such 30-day period. Notwithstanding anything to the contrary contained in Section 11.4(b), such Recognized Mortgagee shall have thirty (30) days after the delivery of the termination notice referred to in Section 11.4(a) to request a new lease, and if such Recognized Mortgagee fails to request a new lease within such thirty (30) day period, then such Recognized Mortgagee's rights to enter into a new lease shall likewise terminate.

Section 11.6 Recognition by Landlord of Recognized Mortgagee Most Senior in Lien. If more than one Recognized Mortgagee has exercised any of the rights afforded by Sections 11.3, Section 11.4 or Section 11.5 hereof, only that Recognized Mortgagee, to the exclusion of all other Recognized Mortgagees, whose Recognized Mortgage is most senior in lien shall be recognized by Landlord as having exercised such right, for so long as such Recognized Mortgagee shall be diligently exercising its rights under this Lease with respect thereto, and thereafter only the Recognized Mortgagee whose Recognized Mortgage is next most senior in lien shall be recognized by Landlord, unless such Recognized Mortgagee has designated a Recognized Mortgagee whose Mortgage is junior in lien to exercise such right. If the parties shall not agree on which Recognized Mortgage is prior in lien, such dispute shall be determined by a title insurance company chosen by Landlord, and such determination shall bind the parties.

Section 11.7 Application of Proceeds from Insurance or Condemnation Awards. No Mortgage shall contain any provisions with respect to the application of (a) insurance proceeds payable in connection with any damage or destruction to the Building or (b) the proceeds of any award payable in connection with a taking referred to in Article 9 hereof which are inconsistent with the requirements of this Lease.

Section 11.8 Appearance at Condemnation Proceedings. A Recognized Mortgagee shall have the right to appear in any condemnation proceedings and to participate in any and all hearings, trials and appeals in connection therewith.

Section 11.9 Rights of Recognized Mortgagees. The rights granted to a Recognized Mortgagee under the provisions of Sections 11.3, 11.4, 11.5 and 11.8 hereof shall not apply in the case of any Mortgagee that is not a Recognized Mortgagee.

Section 11.10 Landlord's Right to Mortgage its Interest. Landlord shall have the right to mortgage its interest in the Premises, as long as such mortgage is subject to this Lease and any new lease executed pursuant to the provisions of Section 11.4 hereof. Anything in this Lease to the contrary notwithstanding, Landlord covenants and agrees that neither Tenant's interest in this Lease, Tenant's interest in any Sublease nor any Mortgagee's interest in this Lease or a new lease obtained pursuant to Section 11.4 hereof, shall be subordinate to any mortgage on Landlord's interest in the Premises. Landlord agrees to include in such mortgage a subordination clause reasonably satisfactory to Tenant and to the Recognized Mortgagee most senior in lien in order to accomplish such subordination. Such mortgage shall also include a waiver and release by the mortgagee of any claims to any insurance proceeds or condemnation awards properly applicable to a Condemnation Restoration, a Tenant Restoration or a Building Systems Restoration. If the mortgagee refuses to include such provisions, Landlord shall not enter into the mortgage and to do so shall constitute a material default by Landlord under the terms of this Lease. For the purposes of this provision, it is understood and agreed that the lien of any such mortgage shall be subordinate to the lien of this Lease, and to Tenant's interest in this Lease and Tenant's leasehold estate or any new lease granted pursuant to Section 11.4, notwithstanding that as a technical legal matter the leasehold estate created pursuant to this Lease may have terminated prior to the execution, delivery and recordation of a memorandum of such new lease. Any such mortgage shall, upon foreclosure under such mortgage, be entitled to succeed only to the interest of Landlord.

ARTICLE 12

CONSTRUCTION WORK

Section 12.1 No Representations or Warranties. Tenant understands and agrees that Landlord shall not incur any liability to any Person for any act or omission in connection with its reviews and approvals of the Approved Plans and Specifications, construction schedules or any other document, or failure to review or approve the foregoing in accordance with the provisions of this Lease, and Landlord's approval of the Approved Plans and Specifications, construction schedules or any other document shall not be, nor shall be construed or interpreted, nor otherwise relied upon, by any Person as: (a) a representation, warranty or determination by Landlord that said documents comply with applicable Requirements, or are structurally or architecturally sound or safe, or technically correct, (b) an opinion by Landlord that the Construction Work constructed pursuant to said documents are adequate or sufficient for any purpose or use, or (3) a release of Tenant from any of its obligations under this Lease.

Section 12.2 Performance of Initial Renovation Work and Material Alterations.

(a) All Construction Work shall be performed diligently and, subject to Unavoidable Delays, shall be completed on or before the Scheduled Completion Date in good and worker-like manner and in accordance with the Approved Plans and Specifications (in the case of the Initial Renovation Work and any Material Alteration), construction schedules, all applicable Requirements and this Lease.

(b) All materials and equipment utilized or furnished in connection with any and all Construction Work shall be new (unless otherwise specified in the Approved Plans and Specifications) and in good condition, fully operational, without patent defects, suitable for its intended purpose and shall comply in all material respects with the requirements of the Approved Plans and Specifications (if applicable); provided, however, that Tenant may, without Landlord's consent but upon notice to Landlord, (a) make substitutions of materials or equipment of a different make or manufacturer but with a comparable quality to those specified in the Approved Plans and Specifications and (b) make deviations from the Approved Plans and Specifications as necessary to address field conditions. At all times during the performance of any Construction Work, Tenant shall maintain the Premises in a neat and orderly condition and shall protect the Premises against deterioration, loss, damage and theft.

Section 12.3 Rights of Inspection. Landlord, Lease Administrator and their representatives shall have the right, upon reasonable notice to Tenant during regular business hours, and in accordance with Tenant's reasonable instructions, to visit the Premises to observe the performance by Tenant of the Construction Work (including the means, methods, procedures and techniques utilized by Tenant) solely for the purpose of ensuring that such Construction Work is undertaken substantially in accordance with the Approved Plans and Specifications, construction schedules, all Requirements and this Lease. Following a written request to Tenant, Landlord and Lease Administrator shall have the right to attend a Tenant's job and/or safety meeting. Nothing herein shall impose any responsibility upon Landlord or Lease Administrator for any failure by Tenant to comply with any Requirements or observe any safety practices in connection with such construction, or constitute an acceptance of any work that does not comply in all material respects with the Approved Plans and Specifications, construction schedules, applicable Requirements or the provisions of this Lease. The use of field personnel by Landlord and Lease Administrator shall be at their sole cost and expense, unless the necessity therefor results from Tenant's negligence or willful misconduct.

Section 12.4 Compliance with Requirements. Tenant assumes sole responsibility for compliance with all applicable Requirements in the performance of Construction Work. Accordingly, Tenant shall ensure that the Approved Plans and Specifications and any Construction Work undertaken at the Premises during the Term complies with all applicable Requirements.

Section 12.5 Risks of Loss. Tenant hereby assumes all risks of demolition, removal, and construction of the Construction Work.

Section 12.6 Costs and Expenses. Tenant understands and agrees that all improvements constructed or required to be constructed by Tenant, will be designed, constructed, maintained, secured and insured entirely at Tenant's sole cost and expense without reimbursement or

contribution by Landlord or Lease Administrator, or any credit or offset of any kind for any costs or expenses incurred by Tenant (except as otherwise expressly provided in this Lease). Tenant further covenants and agrees to pay and discharge all Impositions, and all municipal fees, charges, assessments and impositions assessed, charged or imposed in connection with the construction of all such improvements.

Section 12.7 Title to the Improvements and Materials. Tenant understands and agrees that Landlord has all right, title and interest to the Premises and that title to all improvements constructed by Tenant shall be vested in Landlord, immediately, upon commencement of construction thereof and at all times thereafter. Tenant further understands and agrees that all materials to be incorporated into the Premises shall, immediately upon their purchase and at all times thereafter, constitute the property of Landlord, and upon construction of the Initial Renovation Work (or part thereof) or any other improvement, or the incorporation of such materials therein, title thereto shall be and continue in Landlord. Notwithstanding the foregoing, Tenant further understands and agrees that (a) Landlord shall not be liable in any manner for payment to, or for damage or risk of loss or otherwise by any contractor, subcontractor, laborer or supplier of materials in connection with the purchase or installation of any such materials, and (b) Landlord shall have no obligation to pay any compensation to Tenant by reason of its acquisition of title to the materials. The term "materials" as used in this Section 12.7 shall include Equipment, but shall not include Trade Fixtures.

Section 12.8 Depreciation Deduction. Notwithstanding the other provisions of this Lease, it is hereby acknowledged that Tenant shall be entitled to any and all depreciation deductions, investment credits, deductions for taxes, and deductions for ordinary and necessary business expenses with respect to any part of the improvements constructed or required to be constructed by Tenant.

Section 12.9 Names of Contractors, Materialmen, Etc.; Approval of Consultants, Etc. Upon Landlord's prior written request from time to time, Tenant shall furnish Landlord with a list of all Persons entering into any Material Construction Agreement in connection with Construction Work at the Premises, other than subcontractors. The list shall state the name and address of each such Person and the capacity in which such Person is under contract performing work at the Premises. All persons employed by Tenant with respect to any Construction Work shall be paid, without subsequent deduction or rebate unless expressly authorized by applicable Requirements, not less than the prevailing minimum hourly rate required by applicable Requirements.

Section 12.10 Construction Agreements. All Material Construction Agreements shall include the following provisions:

(a) "[Contractor"]/["Subcontractor"]/"Materialman"] hereby agrees that immediately upon the purchase from ["contractor"]/["subcontractor"]/["materialman"] of any building materials to be incorporated in the Project [or other Improvements] (as such terms are defined in the lease pursuant to which the contract purchase hereunder acquired a leasehold interest in the property (the "Lease")), such materials shall become the sole property of the City (as defined in the Lease), notwithstanding that such materials have not been incorporated in, or

made a part of, such Project [or other Improvements] at the time of such purchase; provided, however, that neither the City nor Landlord (as defined in the Lease) shall be liable in any manner for payment or otherwise to]/["subcontractor"]/["materialman"] in connection with the purchase of any such materials and neither the City nor Landlord nor Lease Administrator (as defined in the Lease) shall have any obligation to pay any compensation to ["contractor"]/["subcontractor"]/["materialman"] by reason of such materials becoming the sole property of the City."

(b) "[Contractor"]/["Subcontractor"]/["Materialman"] hereby agrees that notwithstanding that ["contractor"]/["sub-contractor"]/["materialman"] performed work at or furnished any materials for the Premises (as such term is defined in the Lease) or any part thereof, neither the City nor Landlord nor Lease Administrator shall be liable in any manner for payment or otherwise to ["contractor"]/ ["subcontractor"]/["materialman"] in connection with the work performed at or materials furnished for the Premises.

(c) "[Contractor"]/["Subcontractor"]/["Materialman"] hereby agrees to make available for inspection by ["contractor's"]/ [the City, Landlord and Lease Administrator, during reasonable business hours, ["subcontractor's"]/["materialman's"] books and records relating to Construction Work (as defined in the Lease) being performed or the acquisition of any material or Equipment (as such term is defined in the Lease) furnished for the Premises.

(d) "All covenants, representations, guarantees and warranties of ["contractor"]/["subcontractor"]/["materialman"] hereunder shall if this contract is taken over by the [Landlord or Lease Administrator] be deemed to be made for the benefit of said Landlord under the Lease and shall be enforceable against ["contractor"]/["subcontractor"]/["material- man"] by said Landlord or Lease Administrator."

(e) "The City, Landlord and Lease Administrators are not parties to any Construction Agreement and will not in any way be responsible to any party for any claims of any nature whatsoever arising or which may arise from such ["agreement"] unless Landlord shall take over such ["agreement"] and then only as to claims arising after this ["agreement"] is so taken over."

ARTICLE 13

INITIAL RENOVATION WORK

Section 13.1 Initial Renovation Work. Tenant shall undertake the work required for the construction of the Initial Renovation Work in accordance with the requirements of Article 12 and this Article 13.

Section 13.2 Plans and Specifications; Construction Documents.

(a) Landlord acknowledges and agrees that Initial Renovation Designs are hereby approved by Landlord.

(b) If Tenant desires to materially modify the Approved Plans and Specifications for the Initial Renovation Work, Tenant shall submit the proposed modifications to Landlord for its prior review and approval, which approval shall not be unreasonably withheld, conditioned or delayed. Landlord shall review the proposed changes as follows:

(i) notwithstanding anything to the contrary herein, the Final Plans and Specifications for the modifications (the "Final Plans and Specifications") shall be deemed to be Approved Plans and Specifications unless Landlord notifies Tenant in writing (the "Objection Notice"), within fifteen (15) Business Days of delivery of the Final Plans and Specifications to Landlord (the "Review Period"), that the Final Plans and Specifications deviate materially in scope and design from the Initial Renovation Designs. Landlord shall specify in reasonable detail in the Objection Notice the reason for making any such determination.

(ii) If Landlord provides a valid Objection Notice, the Final Plans and Specifications for the modification shall be subject to Landlord's further review and approval (not to be unreasonably withheld, conditioned or delayed). If directed by Landlord, Tenant shall revise or cause the Architect to revise the Final Plans and Specifications in accordance with the directions of Landlord, and until Landlord issues its approval thereof (which shall not be unreasonably withheld, conditioned or delayed), Tenant shall re-submit revised Plans and Specifications to Landlord for its review, in each case, within fifteen (15) Business Days after receipt by Tenant of directions to that effect from Landlord. In the case of each submission of revised Final Plans and Specifications to Landlord for its review and approval, if Landlord fails to direct Tenant to revise the Final Plans and Specifications within fifteen (15) Business Days after each resubmission by Tenant, Landlord shall be deemed to have given its approval thereto, and the Final Plans and Specifications shall constitute Approved Plans and Specifications. The time periods for submission and review set forth in this Section are subject to Unavoidable Delays.

(c) Annexed hereto as Exhibit H is a schedule for the performance of the Initial Renovation Work (said Approved Plans and Specifications and construction schedule shall be referred to herein as the "Construction Documents").

(d) If Tenant, at any time, desires to materially modify the Construction Documents, Tenant shall submit the proposed modifications to Landlord for its prior review and approval, which approval shall not be unreasonably withheld. Landlord shall review the proposed changes as if such were a submission of Final Plans and Specifications proposed under Section 13.2(b)(i) hereof, and the provisions thereof governing such a resubmission shall apply.

Section 13.3 Construction of the Initial Renovation Work.

(a) Tenant will utilize low impact development techniques and green building technologies in connection with the Initial Renovation Work and shall include a LEED- accredited professional on its Project development team. The core and shell of the Renovation Project shall be constructed in such a manner as to be eligible to achieve a LEED (Leadership in Energy and Environmental Design) for New Construction and Major Renovation Silver Certification from the United States Green Building Council. Tenant shall submit to Lease Administrator a plan for achieving said LEED Silver Certification at Tenant's sole cost and expense. Tenant shall not be entitled to any deductions or setoffs from Rental for incorporating green building techniques as part of the Renovation Project.

(b) On or before the Construction Commencement Date (subject to Unavoidable Delays), Tenant shall (A) complete, or cause to be completed, all required site testing work shall have been substantially completed, (B) enter into a stipulated sum general contractor agreement, cost-plus general contractor agreement or construction management contract, in each case with a guaranteed maximum price, for the Initial Renovation Work, and binding contracts (or subcontracts, as applicable) for not less than eighty percent (80%) of the work to be performed as part of the Initial Renovation Work, including contracts for materials, and (C) actually commence and prosecute such Initial Renovation Work with diligence and continuity; provided, however, that notwithstanding anything herein to the contrary, in no event shall Tenant's failure to comply with the provisions of this Section 13.3(b) constitute a Default or an Event of Default. In no event shall Tenant require that any Subtenant vacate its premises prior to September 9, 2013 (other than as a result of Tenant exercising rights and remedies under the terms of any Sublease). Tenant shall achieve Substantial Completion of the Initial Renovation Work on or before the Scheduled Completion Date (subject to Unavoidable Delays), substantially in accordance with the Construction Documents and the other requirements of this Lease. Tenant shall provide Landlord with a copy of each general contractor or construction management and all contracts and subcontracts relating thereto.

(c) Tenant shall keep Landlord fully informed of Tenant's progress in undertaking the Initial Renovation Work. In furtherance of the foregoing, promptly upon Landlord's request, Tenant shall provide Landlord with copies of all materials that are customarily provided to a construction lender (and other materials reasonably requested by Landlord) including, but not limited to, scheduling of payments, projections and certifications of construction costs and sources of funds, and all construction documents and all plans and specifications. In addition, upon written request from Landlord, Tenant shall provide Landlord with a monthly progress report with regard to the Initial Renovation Work in form and substance reasonably satisfactory to Landlord.

Section 13.4 Conditions Precedent to Initial Renovation Work. Prior to the commencement of the Initial Renovation Work, Tenant shall comply with the following terms, covenants and conditions:

(a) Permits and Approvals. Tenant shall deliver to Landlord copies of all permits, consents, certificates and approvals of all Governmental Authorities required for the performance of the Initial Renovation Work, certified by Tenant or the Architect. At the request of Tenant, Landlord, in its proprietary and not its governmental capacity, shall cooperate with Tenant in obtaining the permits, consents, certificates and approvals required by this Section 13.4, and shall not unreasonably withhold its consent to any application required to obtain such permits, consents, certificates and approvals made by Tenant. Tenant shall reimburse Landlord within ten (10) days after demand therefor, the amount of any third party out-of-pocket costs or expenses incurred by Landlord in cooperating with Tenant to obtain the permits, consents, certificates and approvals required by this Section 15.34 and such amounts shall constitute Rental hereunder.

(b) Insurance. Tenant shall deliver to Landlord copies of the policies of insurance required in connection with the performance of Construction Work pursuant to the provisions of Section 7.1(a)(iv) hereof.

(c) Construction Contract. Tenant shall deliver to Landlord a stipulated sum or cost-plus contract, with a guaranteed maximum price, or construction management contract, or other form of contract approved by Landlord, in form assignable to Landlord (a "Construction Contract"), made with a reputable and responsible contractor or construction manager who is not, to the best knowledge of Tenant, after due inquiry, an Unqualified Person ("Contractor") providing for the completion of the Construction Work in accordance with the Approved Plans and Specifications, applicable Requirements and this Lease. No approval by Landlord shall be required of any subcontractors of the Contractor.

(d) Assignment of Construction Contract. Tenant shall deliver to Landlord an assignment of the Construction Contract ("Assignment of Construction Contract") to Landlord (or in Landlord's discretion to Lease Administrator) duly executed and acknowledged by Tenant (and consented to by the Contractor) effective by its terms upon an Event of Default before the complete performance of the Construction Contract required in connection with the Construction Work in question. The Assignment of Construction Contract shall also include the benefit of all payments made on account of the Construction Contract, including payments made before the effective date of the Assignment of Construction Contract. The Assignment of Construction Contract may include a provision that in order for it to become effective the assignee must assume Tenant's remaining obligations (other than accrued obligations) under the assigned Construction Contract. The Assignment of Construction Contract will be junior in priority to any similar assignment of the Construction Contract which may be delivered to any Recognized Mortgagee.

(e) Sufficient Funds. Tenant shall deliver to Landlord evidence reasonably satisfactory to Landlord that Tenant has sufficient funds available to it to complete fifty percent (50%) of the Construction Work in accordance with the Approved Plans and Specifications, applicable Requirements and this Lease, which evidence may be in the form of (i) a certificate

from Tenant certifying available cash on hand, (ii) a funding commitment from a Control Affiliate and/or (c) one or more financing commitments from Institutional Lender(s).

Section 13.5 Completion Guaranty. Simultaneously with the execution of this Lease, the Howard Hughes Corporation (the "Guarantor") has executed and delivered to Landlord a completion guaranty, a copy of which is annexed hereto as Exhibit O (the "Completion Guaranty").

(a) If prior to the Substantial Completion Date, the Completion Guaranty is canceled or otherwise ceases to be in full force and effect (other than pursuant to its terms), then, within thirty (30) days after notice from Landlord to Tenant of the foregoing, Tenant shall provide a replacement guaranty or other comparable security acceptable to Landlord (solely with respect to financial responsibility of the replacement guarantor). A replacement guarantor (or other party furnishing comparable security) shall be deemed financially responsible if such replacement guarantor or other party has a net worth of at least $250,000,000 or a credit rating from Standard & Poor's Credit Markets Services or Moody's Investors Services (or another rating agency acceptable to Landlord) of at least BBB. Notwithstanding anything to the contrary herein, in no event shall Tenant be entitled to cancel or terminate the Completion Guaranty at any time prior to Substantial Completion of the Initial Renovation Work.

(b) If Tenant shall fail to commence the Initial Renovation Work by the Construction Commencement Date or Substantially Complete the Initial Renovation Work on or before the Scheduled Completion Date (subject to Unavoidable Delays), then Landlord may make a demand on the Guarantor, pursuant to the Completion Guaranty, for performance of Tenant's obligations with regard to Initial Renovation Work.

Section 13.6 Completion of Initial Renovation Work.

(a) Substantial Completion.

(i) Upon Substantial Completion of the Initial Renovation Work, Tenant shall provide written notice thereof to Landlord, together with supporting documentation therefor. Landlord shall endeavor within fifteen (15) Business Days from Landlord's receipt of Tenant's notice to advise Tenant whether or not, in Landlord's reasonable discretion, the conditions for Substantial Completion have been satisfied, or whether Tenant has failed to submit adequate and sufficient evidence to permit Landlord to issue its determination. If in reasonable discretion of Landlord the conditions for Substantial Completion have not been satisfied, Landlord shall also endeavor to advise Tenant of the reasons for Landlord's determination within such fifteen (15) Business Day period. Any dispute as to whether Substantial Completion of the Initial Renovation Work has occurred shall be resolved pursuant to Article 34. The failure by Landlord to advise Tenant in writing as to whether the conditions for Substantial Completion have been satisfied and, if not, to identify the conditions that have not been satisfied, within such

fifteen (15) Business Day period shall be deemed to constitute an acknowledgement by Landlord that the Initial Renovation Work has been Substantially Completed.

(ii) Upon Substantial Completion of the Initial Renovation Work, Tenant shall deliver the following to Landlord: (i) a certification of the Architect (certified to Landlord), in a form that is customary and consistent with industry standards taking into account the scope and the nature of the work performed, that the Construction Work in question has been Substantially Completed in accordance with the Approved Plans and Specifications therefor and that the improvements constructed pursuant to such Construction Work comply with the Building Code of New York City and all other Requirements; and (ii) a copy of the temporary Certificate of Completion or Certificate of Occupancy for the entire Premises (or the relevant portion thereof).

(b) Final Completion.

(i) Upon Final Completion of the Initial Renovation Work, Tenant shall provide written notice thereof to Landlord, together with supporting documentation therefor. Landlord shall endeavor to advise Tenant whether or not, in Landlord's reasonable discretion, the conditions for Final Completion have been satisfied, or whether Tenant has failed to submit adequate and sufficient evidence to permit Landlord to issue its determination within sixty (60) days from Landlord's receipt of Tenant's notice. If in Landlord's reasonable discretion the conditions for Final Completion have not been satisfied, Landlord shall also endeavor to advise Tenant of the reasons for Landlord's determination within such sixty (60) day period. Any dispute as to whether Final Completion of the Initial Renovation Work has occurred shall be resolved pursuant to Article 34. The failure by Landlord to advise Tenant in writing as to whether the conditions for Final Completion have been satisfied and, if not, to identify the conditions that have not been satisfied, within such sixty (60) day period shall be deemed to constitute an acknowledgement by Landlord that Final Completion of the Initial Renovation has occurred.

(ii) Upon Final Completion of the Initial Renovation Work, Tenant shall deliver the following to Landlord: (i) copies of lien waivers executed by contractors, consultants and material suppliers performing any part of any Construction Work; (ii) within thirty (30) days after a permanent Certificate of Occupancy or Certificate of Completion is issued, or as soon as prepared by the Architect, whichever is earlier, a complete set of "as built" plans for the Improvements constructed pursuant to such Construction Work; and (iii) as soon as available, a copy of the permanent Certificate of Occupancy or Certificate of Completion for the entire Premises (or relevant portion thereof).

(iii) Tenant shall achieve Final Completion of the Initial Renovation Work no later than eighteen (18) months (subject to Unavoidable Delays) after Substantial Completion of the Initial Renovation Work.

Section 13.7 Publicity. Beginning with the Construction Commencement Date and continuing until Substantial Completion of the Initial Renovation Work, Tenant shall furnish and install a project sign, the wording, design and location of which shall be satisfactory to Landlord. Such sign shall include a reference to the participation in the Project of Landlord and Lease Administrator, all of equal prominence with references to the participation of Tenant and Tenant's Affiliates. Tenant shall invite Landlord and Lease Administrator and their designee(s) to participate in groundbreaking and opening ceremonies to be held at such time and in such manner as Landlord shall approve not inconsistent with Tenant's construction schedule. In addition, Tenant shall use its reasonable efforts to consult with Landlord concerning any publicity announcements to any news media prior to or upon Substantial Completion.

ARTICLE 14

MAINTENANCE AND REPAIRS

Section 14.1 Tenant's Maintenance.

(a) Tenant shall take good care of the Premises, including those portions of the Esplanade Project located within the Premises; the Buildings and the structural elements and leased space forming a part thereof and, to the extent any of the following shall constitute a part of or shall serve exclusively the Premises, the plumbing, heating, ventilating, air conditioning, electrical, lighting, sprinkler and other utility systems and fixtures and other Equipment therein or serving the same and the appurtenances thereto (other than the Base Building Systems in the Museum Block and Schermerhorn Block); the Commercial Areas to the extent used or occupied by Tenant or any Subtenant; Street Furniture and all grounds, landscaping, plantings parking facilities, plazas, vaults, signs, sidewalk hoists, roofs, railings, gutters, sidewalks, curbs and other paved walkways and areas (including repaving); Pier 17 and the fender systems and paving thereon (including any portions thereof now or at any time constituting a part of Landlord's Premises); quays; portals; exterior lighting fixtures (including replacement of defective or spent bulbs); water, sewer, gas and other utility connections; pipes and mains (other than such water, sewer, gas and other utility mains below the surface of the streets which are owned and/or to be maintained by Landlord or any public or private utility company), and Tenant agrees to put, keep and maintain all of the foregoing (other than the aforesaid Base Building Systems) in first class, safe, sound and lawful order and condition and make all repairs thereto and therein, interior and exterior, structural and nonstructural, ordinary and extraordinary, foreseen and unforeseen, as shall be necessary to keep and maintain the same in such first class, safe and sound order and condition and in compliance with all Requirements, and howsoever the necessity or desirability therefor may have occurred, and whether or not necessitated by normal wear, tear, obsolescence or defects, latent or otherwise. Without limiting the generality of the foregoing, in respect of all areas which Tenant is obligated to repair and maintain, as aforesaid, Tenant covenants and agrees to observe, perform and discharge the applicable provisions of the standards annexed hereto as

Exhibit E (the "General Maintenance Standards"). Tenant shall not commit or suffer, and shall use all reasonable precaution to prevent waste, damage or injury to the Premises and the Project Streets adjoining the same.

(b) In addition to the maintenance obligations set forth in paragraph (a) above, Tenant shall, throughout the Term, be obligated to maintain the structural integrity of Pier 17 in first class, safe, sound and lawful order and condition and make all repairs thereto as shall be necessary to keep and maintain the same in order and condition and in compliance with all Requirements, and howsoever the necessity or desirability therefor may have occurred, and whether or not necessitated by normal wear, tear, obsolescence or defects, latent or otherwise. Without limiting the generality of the foregoing Tenant agrees to the following:

(i) Tenant shall undertake the repair and maintenance work recommended for Pier 17 during the five (5) year period after the Amendment Commencement Date and more fully described in the May 8, 2012 report with respect to the condition of Pier 17 prepared by Halcrow, Inc., a copy of which has been provided by Tenant to Landlord. (A description of the work based on such report to be performed during said five (5) year period is annexed hereto as Exhibit M). Such repair and maintenance work shall be commenced upon or before commencement of the Initial Renovation Work provided, however, that Landlord acknowledges that certain elements of such repair and maintenance work will occur over a longer period than that which is required to Substantially Complete the Initial Renovation Work and that completion of such initial Pier 17 repair and maintenance work shall not be a condition to achieving Substantial Completion of the Initial Renovation Work.

(ii) Tenant shall retain the services of a Pier Consultant. Beginning on the fifth (5th) anniversary of the Amendment Commencement Date and continuing throughout the Term no less frequently than every five (5) years (or more frequently at the recommendation of the Pier Consultant), Tenant shall require the Pier Consultant to (1) perform inspections of Pier 17 in accordance with the Lease Administrator's October 1999 Inspection Guideline Manual, as it may be amended, (2) prepare inspection reports and certify to Landlord and Tenant whether Pier 17 is structurally sound (and if not, to specify all respects in which the same is not structurally sound), draft, of which inspection reports shall be submitted by Tenant to Lease Administrator for review and reasonable approval before they are finalized (as finalized, the "Pier Reports") and (3) to recommend, in the Pier Reports, a maintenance program as well as specific repair and maintenance work in furtherance of maintaining the structural integrity of Pier 17.

(iii) Throughout the Term, Tenant shall carry out the recommendations set forth in the Pier Reports; provided, however, if Tenant disagrees with any such recommendations, Tenant shall promptly provide written notice thereof to Landlord together with an explanation of Tenant's objections and the basis for those objections. If Landlord disagrees with Tenant’s objections, such dispute shall be settled by the arbitration process set forth in Article 34. If the arbitrator finds in favor of Landlord with

respect to some or all of the recommendations in dispute, Tenant shall promptly carry out those recommendations the arbitrator and Landlord agree on in the Pier Reports. Tenant shall also perform such additional work as may be required during the Term to maintain the structural integrity of Pier 17 and to cause the structure of Pier 17 to comply with Requirements. Prior to performing any such additional work Tenant shall notify Landlord, and shall furnish Landlord with such information and materials as Landlord may reasonably request concerning such additional work.

(iv) If the Pier Consultant shall withdraw or otherwise cease to function as such, a new engineering consultant shall be selected in the same manner as set forth in paragraph (ii) above to become the Pier Consultant.

Section 14.2 Landlord's Maintenance.

(a) Landlord shall take good care of the Base Building Systems and shall put, keep and maintain the foregoing in first class, safe, sound and lawful order and condition, and make all repairs thereto and therein, interior and exterior, structural and nonstructural, ordinary and extraordinary, foreseen and unforeseen, as shall be necessary to keep and maintain the same in such first class, safe and sound order and condition and in compliance with all Requirements, and howsoever the necessity or desirability therefor may have occurred, and whether or not necessitated by normal wear, tear, obsolescence or defects, latent or otherwise. As used in this Lease, the term "Base Building Systems" shall mean (i) the mechanical, electrical, sprinkler, vertical circulation (including, without limitation, elevators, escalators and stairs) and plumbing systems of the Museum Block and Schermerhorn Block, exclusive of any portions of such systems which are located in the Premises, and/or which serve the Premises exclusively, and (ii) all structural and exterior components (including, without limitation, roofs, floor framing and subflooring (but not floor coverings and finishes), exterior doors, window frames and facades) of the Buildings in the Museum Block and Schermerhorn Block.

(b) Tenant agrees to reimburse Landlord, within thirty (30) days after written request made from time to time (which requests shall be accompanied by such invoices, canceled checks, receipts and other information and documentation supporting Landlord's right to reimbursement as Tenant may reasonably require), for Tenant's proportionate share of the costs and expenses paid by Landlord at any time and from time to time in connection with repairs, maintenance and replacements of all parts of the Base Building Systems, including the structural and exterior components of the Buildings in said Blocks, such proportionate share to be determined by the ratio of the Gross Leasable Area contained within the Premises in said Blocks to the total Gross Leasable Area contained within said Blocks.

(c) (i) Subject to the provisions of paragraphs (ii), (iii), (iv) and (v) below, in the event Tenant advises Landlord in writing that Tenant claims Landlord has failed to perform any maintenance or make any repair required to be made by Landlord pursuant to Section 14.2(a) with respect to Base Building Systems, except for those portions of Base Building Systems constituting roofs and structural elements (such maintenance and repair to such portions of Base

Building Systems that exclude roofs and structural elements shall be referred to herein as "Landlord Maintenance") and such failure materially adversely affects a Subtenant's (or Subtenants') ability to conduct its normal business operations for a period of five (5) consecutive days (except in case of emergency as hereinafter set forth), Tenant shall have the right to perform such Landlord Maintenance and Landlord hereby grants Tenant a license for access to the applicable portions of the Project Premises that will require access by Tenant to perform such Landlord Maintenance. Work performed by Tenant in performing such Landlord Maintenance shall be considered Construction Work for the purposes of this Lease.

(ii) Tenant's right to perform Landlord Maintenance shall not arise until, and be conditioned upon, the occurrence of the following:

a. This Lease shall then be in full force and effect and Tenant shall not then be in Default hereunder after notice and expiration of any applicable cure period;

b. Tenant shall have first delivered to Landlord written notice of such failure as set forth in paragraph (iii) below;

c. The Buildings on which Tenant performs Landlord Maintenance shall have been renovated by or on behalf of Tenant pursuant to a renovation and retenanting plan commenced after the Amendment Commencement Date and previously approved by Landlord in accordance with the provisions of Article 15 in the same way that documents for Material Alterations are approved.

(iii) If Landlord fails to commence to remedy a failure of Landlord Maintenance within thirty (30) days after delivery of Tenant's notice, Tenant may deliver a second written notice of such failure to Landlord in bold print stating: "LANDLORD HAS FAILED TO PERFORM LANDLORD PERFORMANCE OBLIGATIONS UNDER ARTICLE 14 OF THE LEASE. IF LANDLORD FAILS TO COMMENCE TO REMEDY LANDLORD'S FAILURE OF SUCH LANDLORD PERFORMANCE OBLIGATIONS WITHIN TEN (10) DAYS, TENANT INTENDS TO EXERCISE ITS RIGHT OF SELF-HELP UNDER ARTICLE 14 OF THE LEASE," and if Tenant delivers such second notice and Landlord fails to commence such remedy within such ten (10) day period, and thereafter diligently pursue such remedy, then Tenant shall immediately have the right to remedy such failure as provided above. Notwithstanding the time periods described above, (1) Landlord shall use good faith efforts to commence its obligations pursuant to Section 14.2(a) as soon as commercially practicable and (2) in the case of an emergency whereby Tenant believes, in good faith, there is imminent threat of physical injury to persons or imminent threat of damage (other than a *de minimis* nature) to property that reasonably mandates an immediate response, Tenant's right to perform Landlord Maintenance shall arise immediately.

(iv) Nothing herein shall give rise to a right of the Tenant to recoup, offset, abate or deduct from Rental payable under this Lease any cost incurred by Tenant in performing Landlord Maintenance.

(v) Tenant shall defend, indemnify and save the Indemnitees harmless from and against any and all liabilities, suits, obligations, fines, damages, penalties, claims, costs, charges and expenses, including, without limitation, court costs and reasonable attorneys' fees and disbursements, that may be imposed upon, or incurred by, or asserted against, any of the Indemnitees arising out of, or in any way related to the performance by Tenant of Landlord Maintenance. The indemnity provisions set forth in Article 20 shall also apply to the indemnity obligations of Tenant set forth in this paragraph. The provisions of this paragraph (v) shall survive the expiration or earlier termination of this Lease.

Section 14.3 Repairs, Window Cleaning. When used in this Lease, the term "repairs" shall include all necessary replacements, renewals, alterations and additions. All repairs to be made by Tenant or Landlord shall be equal in quality and class to the original work prescribed by the Approved Plans and Specifications and shall be made in compliance with all Requirements.

Section 14.4 Slips, Sunken Craft. Tenant shall keep the waters in the slips adjacent to the Premises at all times at a depth in each slip sufficient to float the vessels berthed or moored therein. If at any time during the Term the slips referred to in this Section shall become obstructed in whole or in part by the sinking of any waterborne craft or otherwise, Tenant shall promptly remove such obstruction, or cause the same to be removed, without cost or expense to Landlord.

Section 14.5 Joint Maintenance Area. Tenant agrees to provide maintenance and security services in the areas shown on the map annexed hereto as Exhibit F ("Joint Maintenance Area"), including Street Furniture, and all grounds, landscaping, plantings, parking facilities, plazas, vaults, signs, sidewalk hoists, roofs, railings, gutters, alleys, sidewalks, curbs and other paved walkways and areas (including repaving) and Tenant agrees to put, keep and maintain all of the foregoing in first class, safe, sound and lawful order and condition, and make all repairs thereto and therein, interior and exterior, structural and nonstructural, ordinary and extraordinary, foreseen and unforeseen, as shall be necessary to keep and maintain the same in such first class, safe and sound order and condition and in compliance with all Requirements, and howsoever the necessity or desirability therefor may have occurred, and whether or not necessitated by normal wear, tear, obsolescence or defects, latent or otherwise. Without limiting the generality of the foregoing, in respect of the Joint Maintenance Area, which Tenant is obligated to repair and maintain, as aforesaid, Tenant covenants and agrees to observe, perform and discharge the applicable provisions of the General Maintenance Standards annexed hereto as Exhibit E.

Section 14.6 Equipment. Tenant shall not, without the prior consent of Landlord, which consent shall not be unreasonably withheld, remove or dispose of any Equipment unless such Equipment (a) is promptly replaced by Equipment of at least equal utility and quality, or (b) is removed for repairs, cleaning or other servicing, provided Tenant reinstalls such Equipment on the Premises with reasonable diligence; except, however, Tenant shall not be required to replace any Equipment that has become obsolete or that performed a function that has become obsolete,

unnecessary (including by reason of the changed requirements of Subtenants) or undesirable in connection with the operation of the Premises. To the extent the removal of any trade fixtures and Equipment causes damage to the Building Tenant shall promptly repair such damage.

ARTICLE 15

ALTERATIONS

Section 15.1 Tenant's Right to Make Alterations. Tenant shall have the right to make any Alteration that is not a Material Alteration after Substantial Completion of the Initial Renovation Work.

Section 15.2 Material Alterations.

(a) Tenant shall have the right to make any Material Alteration after Substantial Completion of the Initial Renovation Work as long as Tenant shall comply with Section 15.2, 15.3 and 15.4 hereof.

(b) Tenant shall obtain the consent of Landlord for any Material Alteration, which consent shall not be unreasonably withheld, delayed or conditioned.

(c) At least thirty (30) days before Tenant's commencement of any such Material Alteration, Tenant shall provide Landlord with:

(i) complete Plans and Specifications for the proposed Material Alteration prepared by the Architect. All Plans and Specifications submitted pursuant to this Section shall be subject to Landlord’s approval (such approval not to be unreasonably withheld, conditioned or delayed). Landlord shall notify Tenant of Landlord's approval or disapproval of such Plans and Specifications within fifteen (15) Business Days after receipt thereof. Upon approval by Landlord, such Plans and Specifications shall constitute Approved Plans and Specifications. However, if directed by Landlord, Tenant shall revise or cause the Architect to revise the Plans and Specifications in accordance with the directions of Landlord, and until Landlord issues its approval thereof (which shall not be unreasonably withheld), Tenant shall submit revised Plans and Specifications to Landlord for its review, within fifteen (15) Business Days after receipt by Tenant of directions to that effect from Landlord. In the case of each submission of Plans and Specifications to Landlord for its review and approval, if Landlord fails to direct Tenant to revise the Plans and Specifications within said fifteen (15) Business Days after resubmission by Tenant, Landlord shall be deemed to have given its approval thereto, and the applicable Plans and Specifications shall constitute Approved Plans and Specifications. The time periods for submission and review set forth in this Section are subject to Unavoidable Delays.

(ii) a copy of a contract made with a reputable and responsible contractor, providing for the completion of the Material Alteration in accordance with the Approved Plans and Specifications therefor; and

(iii) evidence of Tenant's ability to pay for such Material Alteration, which evidence may be in the form of (i) a certificate from Tenant certifying available cash on hand, (ii) a funding commitment from a Control Affiliate and/or (c) one or more financing commitments from Institutional Lender(s).

(d) If Tenant desires to materially modify the Approved Plans and Specifications for any Material Alteration, Tenant shall submit the proposed modifications to Landlord for its prior review and approval, which approval shall not be unreasonably withheld, conditioned or delayed. Landlord shall review the proposed changes as if such were an original submission of Plans and Specifications pursuant to Section 15.2(c)(i), and the provisions thereof governing such a submission shall apply.

(e) Tenant shall keep Landlord fully informed of Tenant's progress in undertaking any Material Alteration. In furtherance of the foregoing, promptly upon Landlord's request, Tenant shall provide Landlord with copies of all materials that are customarily provided to a construction lender (and other materials reasonably requested by Landlord) including, but not limited to, scheduling of payments, projections and certifications of construction costs and sources of funds, and all construction documents and all plans and specifications. In addition, upon written request from Landlord, Tenant shall provide Landlord with a monthly progress report with regard to any Material Alteration in form and substance reasonably satisfactory to Landlord.

Section 15.3 Conditions Precedent to Material Alteration. Prior to the commencement of any Material Alteration, Tenant shall comply with the following terms, covenants and conditions:

(a) Permits and Approvals. With regard to Construction Work, Tenant shall deliver to Landlord copies of all permits, consents, certificates and approvals of all Governmental Authorities required for the performance of the Construction Work, certified by Tenant or the Architect. At the request of Tenant, Landlord, in its proprietary and not its governmental capacity, shall cooperate with Tenant in obtaining the permits, consents, certificates and approvals required by this Section 15.3, and shall not unreasonably withhold its consent to any application required to obtain such permits, consents, certificates and approvals made by Tenant. Tenant shall reimburse Landlord within ten (10) days after demand therefor, the amount of any out-of-pocket costs or expenses incurred by Landlord in cooperating with Tenant to obtain the permits, consents, certificates and approvals required by this Section 15.33 and such amounts shall constitute Rental hereunder.

(b) Insurance. Tenant shall deliver to Landlord copies of the policies of insurance required in connection with the performance of Construction Work pursuant to the provisions of Section 7.1(a)(iv) hereof.

(c) Assignment of Contracts. Tenant shall deliver to Landlord an Assignment of Construction Contract to Landlord (or in Landlord's discretion to Lease Administrator) duly executed and acknowledged by Tenant (and consented to by the Contractor) effective by its terms upon an Event of Default before the complete performance of the Construction Contract required in connection with the Construction Work in question. The Assignment of Construction Contract shall also include the benefit of all payments made on account of the Construction Contract, including payments made before the effective date of the Assignment of Construction Contract. The Assignment of Construction Contract may include a provision that in order for it to become effective the assignee must assume Tenant's remaining obligations (other than accrued obligations) under the assigned Construction Contract. The Assignment of Construction Contract will be junior in priority to any similar assignment of the Construction Contract which may be delivered to any Recognized Mortgagee.

(d) Completion Guaranty. With regard to any Material Alteration whose estimated cost, as reasonably determined by Landlord, will be $25,000,0000 or more (which amount shall be adjusted on the first day of each calendar year during the Term to take into account CPI for the immediately preceding calendar year), Tenant shall deliver to Landlord a fully executed completion guaranty, acceptable in form and substance to Landlord in its sole discretion, from a guarantor acceptable to Landlord in its sole discretion, guaranteeing faithful performance of said Material Alteration and payment of obligations arising as a result of the performance of said Material Alteration. Guarantor is pre-approved as a guarantor for purposes of this Section 15.3(d).

Section 15.4 Completion of Material Alterations.

(a) Substantial Completion.

(i) Upon Substantial Completion of any Material Alteration, Tenant shall provide written notice thereof to Landlord, together with supporting documentation therefor. Landlord shall endeavor to advise Tenant whether or not, in Landlord's reasonable discretion, the conditions for Substantial Completion have been satisfied, or whether Tenant has failed to submit adequate and sufficient evidence to permit Landlord to issue its determination within fifteen (15) Business Days from Landlord's receipt of Tenant's notice. If in reasonable discretion of Landlord the conditions for Substantial Completion have not been satisfied, Landlord shall also endeavor to advise Tenant of the reasons for Landlord's determination within such fifteen (15) Business Day period. Any dispute as to whether Substantial Completion of any Material Alteration has occurred shall be resolved pursuant to Article 34. The failure by Landlord to advise Tenant in writing as to whether the conditions for Substantial Completion have been satisfied and, if not, to identify the conditions that have not been satisfied, within such fifteen (15)

Business Day period shall be deemed to constitute an acknowledgement by Landlord that the Material Alteration has been Substantially Completed.

(ii) Upon Substantial Completion of any Material Alteration, Tenant shall deliver the following to Landlord: (i) a certification of the Architect (certified to Landlord), in a form that is customary and consistent with industry standards taking into account the scope and the nature of the work performed, that the Construction Work in question has been Substantially Completed in accordance with the Approved Plans and Specifications therefor and that the Improvements constructed pursuant to such Construction Work comply with the Building Code of New York City and all other Requirements; and (ii) a copy of the temporary Certificate of Completion or Certificate of Occupancy for the entire Premises (or the relevant portion thereof).

(b) Final Completion.

(i) Upon Final Completion of any Material Alteration, Tenant shall provide written notice thereof to Landlord, together with supporting documentation therefor. Landlord shall endeavor to advise Tenant whether or not, in Landlord's reasonable discretion, the conditions for Final Completion have been satisfied, or whether Tenant has failed to submit adequate and sufficient evidence to permit Landlord to issue its determination within sixty (60) days from Landlord's receipt of Tenant's notice. If in Landlord's reasonable discretion the conditions for Final Completion have not been satisfied, Landlord shall also endeavor to advise Tenant of the reasons for Landlord's determination within such sixty (60) day period. Any dispute as to whether Final Completion of any Material Alteration has occurred shall be resolved pursuant to Article 34. The failure by Landlord to advise Tenant in writing as to whether the conditions for Final Completion have been satisfied and, if not, to identify the conditions that have not been satisfied, within such sixty (60) day period shall be deemed to constitute an acknowledgement by Landlord that Final Completion of the Material Alteration has occurred.

(ii) Upon Final Completion of any Material Alteration, Tenant shall deliver the following to Landlord: (i) copies of lien waivers executed by contractors, consultants and material suppliers performing any part of any Construction Work; (ii) within thirty (30) days after a permanent Certificate of Occupancy or Certificate of Completion is issued, or as soon as prepared by the Architect, whichever is earlier, a complete set of "as built" plans for the Improvements constructed pursuant to such Construction Work; and (iii) as soon as available, a copy of the permanent Certificate of Occupancy or Certificate of Completion for the entire Premises (or relevant portion thereof).

ARTICLE 16

REQUIREMENTS OF GOVERNMENTAL AUTHORITIES

Section 16.1 Requirements.

(a) Obligation to Comply. Subject to the provisions of Article 345 hereof, in connection with any Construction Work, maintenance, management, use and operation of the Premises and Tenant's performance of its obligations hereunder, Tenant shall comply promptly with all Requirements, without regard to the nature of the work required to be done, whether extraordinary or ordinary, and whether requiring the removal of any encroachment, or affecting the maintenance, use or occupancy of the Premises, or involving or requiring any structural changes or additions in or to the Premises, and regardless of whether such changes or additions are required by reason of any particular use to which the Premises, or any part thereof, may be put.

(i) "Requirements" means: (i) any and all laws, rules, regulations, orders, ordinances, statutes, codes, executive orders and requirements of all Governmental Authorities applicable to the Premises or any street, road, avenue or sidewalk comprising a part of, or immediately adjacent to, the Premises or any vault in, or under the Premises (including, without limitation, the Building Code of the City and the laws, rules, regulations, orders, ordinances, statutes, codes and requirements of any applicable Fire Rating Bureau or other body exercising similar functions); and (ii) the requirements of the Brooklyn Bridge Southeast Urban Renewal Plan for so long as such plan remains in effect.

ARTICLE 17

DISCHARGE OF LIENS; BONDS

Section 17.1 Creation of Liens. Tenant shall neither create nor cause to be created (a) any lien, encumbrance or charge upon this Lease, the leasehold estate created hereby, the income therefrom or the Premises or any part thereof, (b) any lien, encumbrance or charge upon any assets of, or funds appropriated to, Landlord, or (c) any other matter or thing whereby the estate, rights or interest of Landlord in and to the Premises or any part thereof might be impaired. Notwithstanding the above, Tenant shall have the right to execute (a) Recognized Mortgages and related security documents, (b) Subleases as provided by, and in accordance with, the provisions of this Lease and (c) restrictive easement agreements in connection with each Severance Lease.

Section 17.2 Discharge of Liens. If any mechanic's, laborer's, vendor's, materialman's or similar statutory lien is filed against the Premises or any part thereof, or if any public improvement lien created, or caused or suffered to be created by Tenant shall be filed against any assets of, or funds appropriated to, Landlord, Tenant shall, within one hundred and twenty (120) days after Tenant receives notice of the filing of such mechanic's, laborer's, vendor's, materialman's or similar statutory lien or public improvement lien, either commence an action

contesting such lien or cause such lien to be discharged of record, by payment, deposit, bond, order of a court of competent jurisdiction or otherwise. However, Tenant shall not be required to discharge any such lien if Tenant shall have (a) with respect to liens securing amounts greater than $500,000, furnished Landlord with a letter of credit, cash deposit, bond or other security reasonably satisfactory to Landlord, in an amount sufficient to pay the lien with interest and penalties, if any, and (b) brought an appropriate proceeding to discharge such lien and is prosecuting such proceeding.

Section 17.3 No Authority to Contract in Name of Landlord. Nothing contained in this Lease shall be deemed or construed to constitute the consent or request of Landlord, express or implied, by implication or otherwise, to any contractor, subcontractor, laborer or materialman for the performance of any labor or the furnishing of any materials for any specific improvement of, alteration to, or repair of, the Premises or any part thereof, nor as giving Tenant any right, power or authority to contract for, or permit the rendering of, any services or the furnishing of materials that would give rise to the filing of any lien, mortgage or other encumbrance against the Premises or any part thereof or against any assets of, or funds appropriated to, Landlord. Notice is hereby given, and Tenant shall cause all agreements entered into by Tenant to provide, that to the extent enforceable under New York law, Landlord shall not be liable for any such work performed or to be performed at the Premises or any part thereof for Tenant or any Subtenant or for any materials furnished or to be furnished to the Premises or any part thereof for any of the foregoing, and no mechanic's, laborer's, vendor's, materialman's or other similar statutory lien for such work or materials shall attach to or affect the Premises or any part thereof or any assets of, or funds appropriated to, Landlord.

ARTICLE 18

REPRESENTATIONS

Section 18.1 No Landlord Representations. Tenant acknowledges that (a) no representations, statements, or warranties, express or implied, have been made by, or on behalf of, Landlord, Lease Administrator or AIDC with respect to the Premises or the transaction contemplated by this Lease, the status of title thereto, the physical condition thereof, the zoning or other laws, regulations, rules and orders applicable thereto of the use that may be made of the Premises, and Tenant takes the Premises "as-is" as of the Commencement Date and the Amendment Commencement Date, (b) Tenant has relied on no such representations, statements or warranties, and (c) Landlord shall not be liable in any event whatsoever for any latent or patent defects in the Premises.

Section 18.2 Tenant's Representations, Warranties and Covenants. Tenant represents, warrants and covenants that:

(a) Prior Conduct. None of the Tenant, the Principals of the Tenant, or any Person that directly or indirectly Controls, is Controlled by, or is under common Control with the Tenant:

(i) is in default or in breach, beyond any applicable grace period, of its obligations under any written agreement with EDC, NYCIDA or the City, unless such default or breach has been waived in writing by EDC, NYCIDA or the City, as the case may be;

(ii) has been convicted of a felony and/or any crime involving moral turpitude in the ten (10) preceding years;

(iii) has received written notice of default in the payment to the City of any taxes, sewer rents or water charges in excess of $5,000 that has not been cured or satisfied, unless such default is then being contested with due diligence in proceedings in a court or other appropriate forum; or

(iv) has, at any time in the three (3) preceding years, owned any property which, while in the ownership of such Person, was acquired by the City by in rem tax foreclosure, other than a property in which the City has released or is in the process of releasing its interest to such Person pursuant to the Administrative Code of the City.

(b) Vendex Disclosure. All Persons, in respect of Tenant, for which "Vendex" disclosure has been required are listed on Exhibit L, and all information provided in the "Vendex" background questionnaire submitted prior to execution of this Lease is true and correct.

(c) Default. There is no material, uncured Default on the part of Tenant under this Lease and no event has occurred and is continuing which constitutes an Event of Default or which with notice or the passage of time or both would constitute an Event of Default;

(d) No Broker. It has not dealt with any broker, finder or like entity in connection with this Lease or the transactions contemplated hereby.

(e) No City Interest. No officer, agent, employee or representative of the City or NYCEDC has received or will receive any payment or other consideration for the making of this Lease and no officer, agent, employee or representative of the City or NYCEDC has any interest or will have any direct interest in this Lease or any proceeds thereof.

(f) Good Standing. Tenant is a limited partnership duly organized, validly existing and in good standing under the laws of the State of Delaware, has the power and authority to own its assets and to transact the business in which it is now engaged or proposed to be engaged, and is duly qualified as a foreign limited partnership and in good standing under the laws of each other jurisdiction in which such qualification is required.

(g) Due Execution and Delivery. The execution and delivery of this Lease by Tenant has been duly authorized by all required company action and creates legally binding and enforceable obligations on Tenant's part to be performed.

(h) Other Agreements and Restrictions. The execution and delivery of this Lease by Tenant will not (i) violate any provision of, or require any filing, registration, consent or approval under, any law, rule, regulation, order, writ, judgment, injunction, decree, determination or award presently in effect having applicability to Tenant, (ii) result in a breach of, or constitute a default or require any consent under any indenture or loan or credit agreement or any other agreement, lease or instrument to which Tenant is a party or by which it or its properties may be bound or affected; (iii) result in, or require, the creation or imposition of any lien, upon or with respect to any of the properties now owned or hereafter acquired by Tenant; or (iv) cause Tenant to be in default under any law, rule, regulation, order, writ, judgment, injunction, decree, determination or award or any such indenture, agreement, lease or instrument.

(i) Legal Actions. There are no actions, suits or proceedings pending or, to the knowledge of Tenant, threatened against, or affecting Tenant, any Affiliate of Tenant or any Person who is, or who is a member of the immediate family (whether by birth or marriage) of, a member, partner, director or officer of Tenant before any court, Governmental Authority or arbitrator, which may, in any one case or in the aggregate, materially adversely affect the financial condition, operations, properties or business of Tenant, or the ability of Tenant to perform its obligations under this Lease.

(j) Tax Returns. Tenant has filed all tax (federal, state and local) returns, if any, required to be filed and has paid all taxes, assessments and governmental charges and levies thereon to be due, including interest and penalties. Tenant has no knowledge of any claims for taxes due and unpaid which might become a lien upon any of its assets.

ARTICLE 19

LANDLORD NOT LIABLE FOR INJURY OR DAMAGE, ETC.

Section 19.1 Landlord Not Liable. Landlord shall not be liable for any injury or damage to Tenant or to any Person happening on, in or about the Premises or its appurtenances, nor for any injury or damage to the Premises or to any property belonging to Tenant or to any other Person that may be caused by fire, by breakage, or by the use, misuse or abuse of any portion of the Premises (including, without limitation, any hatches, openings, installations, stairways or hallways or other facilities, and the streets or sidewalk areas within the Premises) or that may arise from any other cause whatsoever, unless caused by the gross negligence, willful misconduct or intentionally tortious acts of Landlord, its agents or employees. In addition, Landlord shall not be liable to Tenant or to any Person for any failure of water supply, gas or electric current, nor for any injury or damage to any property of Tenant or of any Person or to the Premises caused by or resulting from gasoline, oil, steam, gas, electricity or hurricane, tornado, flood, wind or similar storm or disturbance or by or from water, rain or snow which may leak or

flow from the street, sewer, gas mains or subsurface area or from any part of the Premises or by or from leakage of gasoline or oil from pipes, appliances, sewer or plumbing works therein or from any other place, nor for interference with light or other incorporeal hereditaments by any Person, or caused by any public or quasi-public work, unless caused by Landlord, or its agents' or employees', respective negligence, willful misconduct or intentionally tortious acts.

ARTICLE 20

INDEMNIFICATION OF LANDLORD AND OTHERS

Section 20.1 Obligation to Indemnify. Tenant shall not do or permit any act or thing to be done upon the Premises, or any portion thereof, which subjects Landlord to any liability or responsibility for injury, damage to Persons or property or to any liability by reason of any violation of law or of any Requirement of any Governmental Authority but shall exercise such control over the Premises so as to fully protect Landlord against any such liability. The foregoing provisions of this Section 20.1 shall not modify Tenant's right to contest the validity of any Requirements in accordance with the provisions of Section 35.23 hereof. Subject to the provisions of Section 42.10 hereof, and to the fullest extent permitted by law, Tenant shall indemnify and save Landlord, AIDC and Lease Administrator and their officials, officers, directors, employees, agents and servants (collectively, the "Indemnitees") harmless from and against any and all liabilities, suits, obligations, fines, damages, penalties, claims, costs, charges and expenses (collectively, the "Tenant Liabilities"), including, without limitation, architects' and attorneys' fees and disbursements, that may be imposed upon or incurred by or asserted against any of the Landlord Indemnitees by reason of any of the following occurring during the Term, unless caused by the gross negligence, willful misconduct or intentionally tortious acts of any of the Indemnitees:

(a) Construction Work. Construction Work or any other work or act done in, on or about the Project Premises or any part thereof;

(b) Use and Possession. The use, non-use, possession, occupation, alteration, condition, operation, maintenance or management of the Premises or any part thereof or of any street, sidewalk, curb, vault, passageway or space comprising a part thereof or any street, sidewalk, vault or curb adjacent thereto;

(c) Acts or Failure to Act of Tenant/Subtenant. Any act or failure to act on the part of Tenant or any Subtenant or any of its or their respective officers, shareholders, directors, agents, contractors, servants, employees, licensees or invitees when such action is otherwise required;

(d) Accidents, Injury to Person or Property. Any accident, injury (including death at any time resulting therefrom) or damage to any Person or property (i) occurring in, on, or about the Premises or any part thereof, or in, on or about any street, sidewalk, curb, vault,

passageway or space comprising a part thereof or any street, sidewalk, vault or curb adjacent thereto or (ii) arising out of, or in any way related to the performance by Tenant of Tenant's rights and obligations under Article 14 hereof;

(e) Lease Obligations. Tenant's failure to pay Rental or to perform or comply with any of the covenants, agreements, terms or conditions contained in this Lease on Tenant's part to be kept, observed, performed or complied with and the proper exercise by Landlord of any remedy provided in this Lease with respect thereto, other than with respect of Tenant's failure to timely commence or complete the Initial Renovation Work;

(f) Liens, Encumbrance or Claim Against Premises. Any lien or claim that is alleged to have arisen against or on the Premises, or any lien or claim created or permitted to be created by Tenant or any Subtenant or any of its or their officers, agents, contractors, servants, employees, licensees or invitees against any assets of, or funds appropriated to, Landlord or any liability asserted against Landlord with respect thereto;

(g) Default of Tenant. Any failure on the part of Tenant to keep, observe and perform any of the terms, covenants, agreements, provisions, conditions or limitations contained in the Material Construction Agreements, the Subleases or other contracts and agreements affecting the Premises, on Tenant's part to be kept, observed or performed;

(h) Recording Fees. Any recording or transfer tax attributable to and required to be paid by Landlord with respect to the execution, delivery or recording of this Lease or a memorandum thereof;

(i) Contest and Proceedings. Any contest or proceeding brought or permitted to be brought pursuant to the provisions of Article 345 hereof, or

(j) Brokerage. Any claim for brokerage commissions, fees or other compensation by any Person who alleges to have acted or dealt with Tenant in connection with this Lease or the transactions contemplated by this Lease unless such person was a broker, finder or the like who alleges to have been retained by or to have acted for Landlord.

Section 20.2 Contractual Liability. The obligations of Tenant under this Article 20 shall not be affected in any way by the absence of insurance coverage, or by the failure or refusal of any insurance carrier to perform an obligation on its part under insurance policies affecting the Premises.

Section 20.3 Defense of Claim, Etc. If any claim, action or proceeding is made or brought against any of the Indemnitees by reason of any event to which reference is made in Section 20.1 hereof, then upon demand by Landlord, Tenant shall either resist, defend or satisfy such claim, action or proceeding in such Indemnitee's name, by the attorneys for, or approved by,

Tenant's insurance carrier (if such claim, action or proceeding is covered by insurance) or by such other attorneys as Tenant may select and Landlord shall approve, such approval not to be unreasonably withheld. The foregoing notwithstanding, such Indemnitee may engage its own attorneys to defend such Indemnitee, or to assist such Indemnitee in such Indemnitee's defense of such claim, action or proceeding, as the case may be, the costs and expenses of which shall be paid by such Indemnitee except that Tenant shall pay the reasonable fees and disbursements of such attorneys of such Indemnitee if either (i) the claim, action or proceeding against Landlord is based solely on the negligence or intentionally tortious acts of Tenant, (ii) the Indemnitee reasonably determines that Tenant is not diligently and competently resisting or defending the claim, action or proceeding, or (iii) there exists a conflict of interest that could impair the defense afforded to Indemnitee hereunder.

Section 20.4 Survival Clause. The provisions of this Article 20 shall survive the Expiration of the Term.

ARTICLE 21

HAZARDOUS SUBSTANCES

Section 21.1 Covenant. Tenant covenants that the Premises shall be kept free of Hazardous Substances, and Tenant shall not, and shall require that each occupant does not, use, transport, store, dispose of or in any manner deal with Hazardous Substances at the Premises. Tenant shall comply with, and use reasonable efforts to ensure compliance by all occupants of the Premises, at all times during the Term, with all applicable environmental laws, ordinances, rules and regulations of federal, state and local governments (individually and collectively "all applicable environmental laws"). Tenant shall keep the Premises free and clear of any liens imposed pursuant to such laws. In the event that Tenant receives any notice or advice from any governmental agency or any source whatsoever with respect to Hazardous Substances, at, under, on, from, adjacent to or affecting the Premises, Tenant shall immediately notify Landlord. Tenant shall conduct and complete, at its sole cost and expense, all investigations, studies, sampling and testing, and take all remedial actions required by applicable environmental laws necessary to clean up and remove all Hazardous Substances from the Premises.

Section 21.2 Indemnification. Tenant shall defend, indemnify and save the Indemnitees harmless from and against any and all liabilities, suits, obligations, fines, damages, penalties, claims, costs, charges and expenses, including, without limitation, court costs and reasonable attorneys' fees and disbursements, that may be imposed upon, or incurred by, or asserted against, any of the Indemnitees (i) arising out of, or in any way related to the presence, storage, transportation, disposal, release or threatened release of any Hazardous Substances over, under, in, on, from or affecting the Premises, and any persons, real property, personal property, or natural substances thereon or affected thereby during the Term of this Lease, including, without limitation, any such liability, suits, obligations, fines, damages, penalties, claims, costs, charges and expenses imposed upon, incurred by or asserted against Landlord, AIDC or the Lease Administrator under CERCLA, and (ii) any violations of applicable environmental laws. The indemnity provisions set forth in Article 20 shall also apply to the indemnity obligations of Tenant set forth in this Section.

ARTICLE 22

LANDLORD'S RIGHT TO DISCHARGE LIENS

Section 22.1 Discharge of Liens. If Tenant shall fail to cause any mechanic's, laborer's, vendor's, materialman's or similar statutory lien or any public improvement lien to be discharged in accordance with the provisions of Article 17 hereof, and if such lien shall continue for an additional forty-five (45) days after the applicable cure period provided for in Article 17, then, subject to any rights granted to a Recognized Mortgagee under this Lease, Landlord may, but shall not be obligated to, discharge such lien of record by procuring the discharge of such lien by deposit or by bonding proceedings. Landlord may also compel the prosecution of an action for the foreclosure of such lien by the lienor and to pay the amount of the judgment in favor of the lienor with interest, costs and allowances.

Section 22.2 Reimbursement for Amounts Paid by Landlord Pursuant to this Article. Any amounts paid by Landlord pursuant to Section 22.1 hereof, including all costs and expenses incurred by Landlord in connection therewith, shall be paid to Landlord within fifteen (15) days of Landlord's demand, together with a late charge on the amounts so paid by Landlord, calculated at the Late Charge Rate from the date of any such payment by Landlord to the date on which payment of such amounts is received by Landlord.

Section 22.3 Waiver, Release and Assumption of Obligations. Landlord's payment or performance pursuant to the provisions of this Article 22 shall not be, nor be deemed to be (a) a waiver or release of the Default or Event of Default with respect thereto (or any past or future Default or Event of Default) or of Landlord's right to take such action as may be permissible hereunder, or (b) Landlord's assumption of Tenant's obligations to pay or perform any of Tenant's past, present or future obligations hereunder.

Section 22.4 Proof of Damages. Landlord shall not be limited in the proof of any damages that it may claim against Tenant arising out of, or by reason of, Tenant's failure to provide and keep insurance in force in accordance with the provisions of this Lease to the amount of the insurance premium or premiums not paid. However, subject to the provisions of Section 42.10 hereof, Landlord shall be entitled to seek, and if successful, to recover, as damages for such Default or Event of Default, the uninsured amount of any loss and damage sustained or incurred by it and the costs and expenses of any suit in connection therewith, including, without limitation, reasonable attorneys' fees and disbursements.

ARTICLE 23

OPERATION; PERMITTED USES; NO UNLAWFUL OCCUPANCY

Section 23.1 Use and Other Requirements. During the Term, Landlord and Tenant shall use and occupy their respective portions of the Project Premises in accordance with the terms and provisions of this Article 23, and for no other purpose, and shall not permit or suffer the same to be used or occupied except in accordance with the terms and provisions of this Article 23. Notwithstanding anything to the contrary herein, Tenant shall be excused from

continuously using, maintaining and operating the Premises to the extent a closure of all or a portion of the Premises is necessary due to (a) a casualty or condemnation at the Premises, (b) Tenant complying with Article 14 hereof or (c) Tenant undertaking the Initial Renovation Work and any Material Alteration.

Section 23.2 Development; Use; Promotion; Operation.

(a) In recognition of the historic and cultural importance of the South Street Seaport and in fulfillment of the public purposes to which the development of the Project Premises is dedicated, throughout the Term, Tenant shall cause the Premises to be (i) maintained and continuously operated as a first-class, specialty retail marketplace including, without limitation, for the operation of a performance and entertainment venue or a cinema or movie theater facility, in accordance with the provisions of this Article, and in a manner at least equal to the current standards of operation of Faneuil Hall Marketplace in Boston and Harborplace in Baltimore; and (ii) used incidentally to the purposes permitted by clause (i) above to provide supporting clerical, administrative and executive offices (but not in excess of 10,000 square feet of Gross Leasable Area and only on the second or higher floor) therefor.

(b) In Subleasing the Premises and the Commercial Areas to Subtenants, Tenant agrees that (i) in the aggregate, no more than 100,000 square feet of Gross Leasable Area in the Premises and the Commercial Areas shall be used for "fast-food" type operations (said 100,000 square foot area to be proportionately reduced, but not below 30,000 square feet, if this Lease shall be terminated in respect of any portion of the Premises); (ii) no portion of the Premises located in the Museum Block or the Schermerhorn Block shall be used for the operation of a "fast-food" business, except as an incidental part of a restaurant located therein and except for such uses by Subtenants existing on the date as of which this Lease is made; (iii) no part of the Premises located on the ground floor of the Market Block and adjacent to Fulton, Front or Beekman Streets shall be used for the operation of a "fast-food" business, except as incidental to the operation of another type of food business; and (iv) no portion of the Premises located on the Museum Block shall be used for the operation of a food business other than a restaurant or cafe (including "fast-food" sales incidental thereto). As used herein, the term “fast food” shall mean a food service establishment having a limited menu of precooked meals that shall be wrapped in paper or boxes and sold to patrons in paper bags, disposable containers and/or on plastic trays (such as a “McDonald’s”, “Burger King”, “Dunkin Donuts”, “Wendy’s” or “Ranch One Chicken”), it being agreed that (i) the failure of a restaurant to provide waiter or waitress service or tablecloth dining shall not automatically be deemed to constitute “fast food”, (ii) the existence of cafeteria type dining shall not automatically be deemed to constitute “fast food.” and (iii) a restaurant such as “Starbucks”, “Pret A Manger”, “Cosi” and other similar restaurants that are upscale and high-quality shall not be deemed to constitute “fast food”.

(c) Tenant shall continuously, uninterruptedly, actively and diligently operate a specialty retail marketplace seven days per week, at least nine hours per day on Mondays through Saturdays and six hours on Sundays, and shall require substantially all Subtenants to operate and conduct their respective businesses on all such days and for such hours, except when

Tenant and/or any Subtenants shall be prevented from doing so by strike, fire, other casualty or other cause beyond the reasonable control of Tenant and/or any such Subtenants, and except on the following holidays: New Year's Day; first and second days of Passover; Good Friday; Easter Sunday; Rosh Hashanah; Yom Kippur; Thanksgiving Day; and Christmas Day. Landlord and/or Tenant shall also make available to the general public, at least during the hours set forth above (but consistent with reasonable maintenance and security requirements of Landlord, Tenant and the Subtenants) and free of charge or admission, all public circulation and seating areas of Pier 17, the Buildings on Pier 17 and throughout other portions of the Premises, other than the roof areas of the Buildings on the Premises (for which Tenant may charge members of the public to access), substantially in accordance with Tenant's plans and specifications therefor to be approved in accordance with applicable provisions of this Lease. Tenant shall obtain Landlord's prior written consent to any material modification of the Requirements of the City Planning Commission or any other public approvals with respect to the Premises.

(d) Tenant shall cause a food market that includes locally and regionally sourced food items and that is open to the public seven days a week to open within the Premises. Tenant shall, subject to Force Majeure, use commercially reasonable efforts to open such food market prior to October 1, 2014.

Section 23.3 Use of Pier 17 Roof.

(a) All areas of the roof of the Pier 17 improvements (other than those areas reserved for restaurant use and mechanical equipment) (the "Rooftop Space") shall be open to the public at no charge; provided, however, that Tenant shall have the right to temporarily close portions of the Rooftop Space (other than the Rooftop Access Area, as defined in the Restrictive Declaration) for private use as described in section 5(a) of the Restrictive Declaration so long as Tenant shall use reasonable good faith efforts to provide free public access to as much of the Rooftop Space as is reasonably possible during such times of private use. On up to four occasions/year (of which up to two can be on a Saturday, Sunday or legal holiday), Tenant shall make available, for no rental charge, to a community based organization (such as the PTA of the neighborhood school or neighborhood senior citizen or youth center) ("CBO") of which it has reasonably approved either up to one-half of the Rooftop Space or the stage within the prolongation of Fulton Street for an event or activity sponsored by such organization.

(b) No later than June 30, 2014, Tenant shall hire an acoustical engineer to make recommendations as to reasonable measures to reduce sound transmission from the Rooftop Space and the pier level event space. Tenant shall direct such acoustical engineer to promptly prepare and submit to Tenant a report describing the proposed sound reduction measures and promptly after such report is submitted to Tenant, Tenant will transmit a copy thereof to Speaker Quinn, Councilwoman Chin, the City Council Land Use Division, and Lease Administrator, and shall work in good faith to implement the noise reduction measures set forth in the report that are both commercially reasonable and feasible.

(c) At such times as there are events being held simultaneously on both the Rooftop Event Space and pier levels of Pier 17, Tenant shall consult with the New York City Police Department as to a reasonable interval between the ending times for each event, and it shall thereafter establish, in its discretion, the ending time of each such event.

Section 23.4 Intentionally omitted.

Section 23.5 Pedestrian Walkways. Landlord and Tenant confirm that the Commercial Areas, Titanic Park, Marginal street, wharf or place and all other outdoor pedestrian walkways within the Project Premises (including, but not limited to, the Former Streets) are intended for use primarily for public circulation, free of charge or admission, and Landlord and Tenant shall not permanently or materially impede or obstruct public access to or circulation in such areas, except (i) for reasonable security and maintenance purposes, and (ii) as otherwise expressly permitted in this Lease (including the Demapping Resolution and Exhibit C hereto) (including construction plans and specifications approved thereunder). In particular, but without limiting the generality of the foregoing:

(a) Titanic Park shall be developed and maintained by Landlord as landscaped open space, with adequate seating facilities, accessible to the general public at all times without charge or admission.

(b) Tenant shall use and occupy the Commercial Areas, and shall require all Subtenants using any portion thereof to use and occupy the Commercial Areas, in accordance with the terms, covenants and conditions of the Demapping Resolution and Exhibit C hereto and this Lease.

(c) Intentionally omitted.

(d) The Former Streets shall at all times be accessible to emergency vehicles (including, but not limited to, ambulances, fire trucks and police cars), and no structures shall be erected that impede access to, or passage through, the Former Streets by such emergency vehicles.

(e) It is hereby understood that public access to that portion of Marginal street wharf or place that is within the Premises is intended to be for the purpose of pedestrian passage and circulation, not for the placement of vending units of any kind, except for vending units placed on said portion of Marginal street wharf or place pursuant to Subleases entered into by Tenant under the terms of this Lease. Subject to the provisions of this Lease regarding public access and circulation, Tenant is granted the exclusive commercial right to use and lease to Subtenants such areas of Marginal street.

Section 23.6 Use. Landlord shall cause all space (other than public circulation areas) within the Buildings located in Landlord's Premises, other than the Museum Premises (unless the

Museum Premises shall cease to be used for their respective purposes permitted under this Article 23), to be used and occupied only for appropriate office purposes, and for no other purposes without the prior consent of Tenant, which consent shall not be unreasonably withheld or delayed except that (a) Landlord may let portions of such space for use as artists' studios and as residential space to persons occupying or having a right to occupy portions of the Project Premises for such purposes on the date as of which this Lease is made, and (b) Landlord may sublet for retail or restaurant uses, without the consent of Tenant, any portion of the Option Premises (hereinafter defined) which Tenant shall have failed to lease pursuant to its option set forth in Section 23.9 hereof, subject, however, to the provisions of subsection (d) of Section 23.9 hereof.

Section 23.7 Illegality. Tenant and Landlord shall not use or occupy, nor permit or suffer the Premises or any part thereof, the Commercial Areas or Landlord's Premises or any part thereof, as the case may require, to be used or occupied for any unlawful or illegal business, use or purpose, or for any business, use or purpose which is immoral or disreputable (including without limitation "adult entertainment establishments" and "adult" bookstores) or extra- hazardous, or in such manner as to constitute a nuisance of any kind (public or private), or for any purpose or in any way in violation of the certificates of occupancy (or other similar approvals of applicable Governmental Authorities), the Demapping Resolution and Exhibit C hereto, or of any present or future Requirements, or which may make void or voidable any insurance then in force on the Premises or any other portion of the Project Premises. If any such unlawful, illegal, immoral, disreputable or extrahazardous use shall occur, Tenant, if such use be on the Premises or the Commercial Areas, and Landlord, if such use be on any other portion of the Project Premises, agree promptly to take all lawful steps which may be necessary to compel the discontinuance of such use and/or to oust and remove any Subtenants causing or responsible for such unlawful, illegal, immoral, disreputable or extra-hazardous use or conduct.

Section 23.8 Landlord’s Title. Tenant shall not suffer or permit the Premises or any portion thereof to be used by any Person or by the public without restriction or in such manner as might reasonably tend to impair Landlord's title to the Premises or any portion thereof, or in such manner as might reasonably make possible a claim or claims of prescriptive rights or adverse possession by any Person or by the public, as such, or of implied dedication of the Premises or any portion thereof.

Section 23.9 Option Premises. If at any time:

(a) any part of Option Premises I shall be or become vacant and shall not be relet for a period of six (6) months after the date of vacating of such space; or

(b) any part of Option Premises I or Option Premises II shall be operated in nonconformity with the terms of this Article 23, or with respect to the Museum Premises, in nonconformity with Article 23 of the Museum Lease as such provisions exist on June 29, 2012, and Tenant shall give notice to Landlord of such nonconforming use, then (1) if any Subtenant shall remain in occupancy of such part, Landlord shall use its best efforts to cause such nonconforming use to cease (which efforts shall include, if necessary, the institution of actions or

proceedings to terminate the Sublease of such Subtenant and to recover possession of such part of the Option Premises), and (2) if Landlord shall recover possession of such part of the Option Premises, and if Landlord shall not have relet such vacant space for use and operation substantially in accordance with the terms of this Article 23, or with respect to the Museum Premises, in nonconformity with Article 23 of the Museum Lease, within six (6) months following the later of (x) Tenant's aforesaid notice with respect to such part, and (y) Landlord's recovery of possession of such part;

then Tenant shall have the right and option, which it may exercise by notice to Landlord given at any time within sixty (60) days after the expiration of the aforesaid six (6) month period, to lease from Landlord all or any such part of the Option Premises referred to above, under this Lease and upon and subject to all of the terms and conditions contained herein, except that:

(i) in respect of Option Premises I or any part thereof so leased to Tenant, the Base Rent, for each Fiscal Year, applicable to such part of the Option Premises I shall consist of the greater of the following sums: (A) full Taxes attributable to the Land and Buildings (or space) so leased, and (B) eighty percent (80%) of the average Base Rent payable by Tenant hereunder for the preceding three Fiscal Years multiplied by a fraction, the numerator of which shall be the number of square feet of Gross Leasable Area of the Option Premises I so leased and the denominator of which shall be the average number of square feet of Gross Leasable Area included in the Premises during said three Fiscal years; and]

(ii) in respect of Option Premises II or any part thereof so leased to Tenant, the Base Rent, for each Fiscal Year, applicable to such part of the Option Premises II shall be an amount equal to the fair market rental value of said premises at the time of the addition of said premises to the Premises demised hereunder, determined in accordance with an appraisal conducted in the manner provided in Article 35 hereof. The scope of said appraisal shall be prepared by Lease Administrator in accordance with its policies and reviewed and approved by Tenant, in its reasonable discretion.

(c) (i) The term "Option Premises" shall mean Option Premises I and Option Premises II, collectively, each as described below and depicted on Exhibit A-4 hereto.

(ii) The term "Option Premises I" shall mean, collectively, the following portions of Landlord's Premises: (x) the first (ground) and second stories of Buildings on the Museum Block, and (y) space located in the ground floor of Schermerhorn Block and known as Nos. 12 and 14 Fulton Street (except that then existing public circulation areas within No. 12 Fulton Street shall remain as public circulation areas).

(iii) The term "Option Premises II" shall mean, collectively, the following portions of Landlord's Premises: (x) space located above the second story of Buildings on the Museum Block, (y) the Tin Building, and (z) all portions of Schermerhorn Block other than the space referred to in clause (ii) (z) above.

(d) If Tenant shall have declined to exercise its option to lease all or any part of the Option Premises at the respective rentals set forth therefor in this Section 23.9, and Landlord shall subsequently propose to relet such space to a third party for retail or restaurant use and at a rental below the rental at which Tenant declined to exercise its option as aforesaid, then Landlord shall give notice of such proposed reletting to Tenant, which notice shall set forth the amount of rental proposed to be charged in respect of such space, and Tenant shall have the right to lease such space at a rental equal to the rental set forth in Landlord's notice, and otherwise upon and subject to all of the terms and conditions of this Lease. Tenant shall exercise such right by giving notice to Landlord of its intention to lease such space upon the aforesaid terms within thirty (30) days after Landlord shall have given its aforesaid notice. Tenant's right to lease such space, as set forth in this subsection (d), shall apply only to Landlord's initial reletting of such space for retail or restaurant uses, and not to any subsequent reletting.

(e) Whenever Tenant shall elect to lease any portion of the Option Premises, the same shall be leased under this Lease as aforesaid, and Landlord and Tenant shall enter into a modification of this Lease, in recordable form, setting forth the terms of such letting in accordance with the provisions of this Section 23.9.

(f) If, pursuant to this Section 23.9, Tenant shall have had the opportunity to exercise its option to lease the Tin Building from Landlord and Tenant shall have failed timely to exercise such option, then commencing with the earlier of (a) the date of expiration of such option, and (b) the date Tenant shall give Landlord notice that Tenant declines to exercise such option, all of Landlord's obligations in respect of the Tin Building shall cease and terminate as fully as if the Tin Building were no longer part of Landlord's Premises or the Project Premises.

Section 23.10 John Street ROFO.

(a) The provisions of this Article 23 notwithstanding, in lieu of any right or interest it currently has or may ever have, including arising from this Lease or from any other agreement with regard to that certain lot located on the southeast corner of John Street and South Street, designated as Block 74, part of Lot 1 in the Tax Map of the City of New York for the Borough of Manhattan (the "John Street Lot"), Tenant or any nominee or designee thereof reasonably approved by Landlord ("John Street Offeree") shall have the rights set for in this Section 23.10.

(b) If the City or its assignee shall propose to lease or sell the John Street Lot, then the City or its assignee, prior to offering such sale or lease to any party, shall give written notice of such proposed lease or sale to Tenant (a "John Street ROFO Trigger Notice").

(c) Within forty-five (45) days of receipt of a John Street ROFO Trigger Notice (the "John Street Exercise Period"), John Street Offeree, shall have the right to offer (which offer shall be irrevocable) to purchase or lease all of the John Street Lot, by giving written notice of such offer to Landlord (the "John Street ROFO Offer"), which John Street ROFO Offer shall set forth the cash price John Street Offeree would be willing to pay to purchase or lease the John Street Lot (the "John Street ROFO Price").

(d) If John Street Offeree does not timely make a John Street ROFO Offer or if John Street Offeree affirmatively waives its right of first offer in writing then (A) John Street Offeree shall be deemed to have elected not to purchase or lease the John Street Lot and (B) the City or its designee shall be free to proceed to initiate and consummate the sale or lease of the John Street Lot to any Person at any price and on such other terms as determined by the City in its sole discretion; provided, however, that if such sale or lease of the John Street Lot is not consummated within one hundred eighty (180) days after the expiration of the John Street Exercise Period, then a second attempt to consummate a sale of the John Street Lot within five years after the John Street Exercise Period shall again be subject to the provisions of this **Error! Reference source not found.**, but no further attempts shall be subject to said provisions.

(e) If John Street Offeree timely delivers a John Street ROFO Offer to Landlord, then at Landlord's option, Landlord shall either:

(i) accept the John Street ROFO Offer and proceed with the consummation of the sale of the John Street Lot in accordance with this Section 23.10 and the John Street ROFO Offer; or

(ii) proceed to initiate and consummate the sale of the John Street Lot to a Person other than John Street Offeree (a "Third Party John Street Sale"), at a price not less than one hundred and ten percent (110%) of the John Street ROFO Price and otherwise on substantially the same or better economic terms offered by John Street Offeree (including, without limitation, any guaranties, deposits and payments and the timing thereof, which value shall be determined by Tenant and Landlord acting reasonably and in good faith); provided, however, if a Third Party John Street Sale fails to close within one hundred eighty (180) days after the John Street Exercise Period, then a second attempt to consummate a sale or lease of the John Street Lot within five years after the John Street Exercise Period shall again be subject to the provisions of this Section 23.10, but no further attempts shall be subject to said provisions.

(f) Any closing of a sale or lease of the John Street Lot to John Street Offeree pursuant to this Section 23.10 shall be consummated in accordance with the following provisions:

(i) closing shall occur at such date as may be agreed between Landlord and John Street Offeree, not to be earlier than sixty (60) days nor later than one hundred twenty (120) days after Landlord's acceptance of the John Street ROFO Offer;

(ii) Landlord shall execute and deliver to John Street Offeree such deeds, lease, instruments of conveyance, assignments and/or other instruments as may be reasonably necessary or reasonably desirable to effectuate the transfer or lease of the John Street Lot to John Street Offeree;

(iii) the John Street ROFO Price shall be payable to Landlord at the closing in immediately available funds, in the case of a sale.

(g) Subject to Section 23.10(d) hereof, any proposals to lease or sell the John Street Lot after an initial John Street ROFO Trigger Notice shall not be subject to the provisions of this Section 23.10.

ARTICLE 24

EVENTS OF DEFAULT, CONDITIONAL LIMITATIONS, REMEDIES, ETC.

Section 24.1 Definition. Each of the following events shall be an "Event of Default" hereunder:

(a) if Tenant shall fail to make any payment (or any part thereof) of Rental required to be paid by Tenant hereunder and such failure shall continue for a period of ten (10) days after notice thereof from Landlord to Tenant;

(b) if Tenant shall enter into an Assignment, Transfer or Major Sublease without compliance with the provisions of this Lease and such Assignment, Transfer or Major Sublease shall not be made to comply with the provisions of this Lease or canceled within thirty (30) days after Landlord's notice thereof to Tenant;

(c) if Tenant shall fail to comply with its obligations pursuant to Article 14 (Maintenance and Repairs) and such failure shall continue for a period of thirty (30) days after notice thereof from Landlord to Tenant specifying such failure (unless such failure requires work to be performed, acts to be done, or conditions to be removed which cannot, by their nature, reasonably be performed, done or removed within such thirty (30) day period, in which case no Event of Default shall be deemed to exist as long as Tenant shall have commenced curing the same within the thirty (30) day period and shall diligently and continuously prosecute the same to completion);

(d) except as may be the result of a casualty or condemnation at the Premises or Tenant undertaking a Material Alteration, if Tenant shall cease continuously to operate the Premises for the uses, in the manner and as otherwise required by this Lease and such default shall continue for a period of thirty (30) days after notice thereof from Landlord to Tenant specifying such default;

(e) if prior to the Substantial Completion date, the Completion Guaranty is canceled or otherwise ceases to be in full force and effect (other than pursuant to its terms), and a replacement guaranty or other comparable security acceptable to Landlord (solely with respect to financial responsibility of the replacement guarantor) is not provided within thirty (30) days after notice to Tenant of the foregoing;

(f) if prior to the Scheduled Completion Date and to the extent permitted by law, if Guarantor files a voluntary petition under the present or any future Federal Bankruptcy Code or any other present or future federal, state or other bankruptcy or insolvency statute or law or if such petition is filed against Guarantor and an order for relief is entered, or if Guarantor files a petition or an answer seeking, consenting to or acquiescing in, any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under the present or any future Federal Bankruptcy Code or any other present or future federal, state or other bankruptcy or insolvency statute or law, or seeks, or consents to, or acquiesces in, or suffers the appointment of, any trustee, receiver, custodian, sequestrator, liquidator or other similar official, of Guarantor, or of all or any substantial part of its properties and a replacement guarantor, or other party furnishing comparable security acceptable to Landlord (solely with respect to financial responsibility of the replacement guarantor) is not provided within thirty (30) days after notice to Tenant of the foregoing;

(g) if prior to the Scheduled Completion Date and to the extent permitted by law, if within sixty (60) days after the commencement of a proceeding against Guarantor seeking any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under the present or any future Federal Bankruptcy Code or any other present or future applicable federal, state or other bankruptcy or insolvency statute or law, such proceeding is not dismissed, or if, within one hundred twenty (120) days after the appointment, without the consent or acquiescence of Guarantor, of any trustee, receiver, custodian, Tenant, sequestrator, liquidator or other similar official of Guarantor, or of all or any substantial part of its properties, such appointment is not vacated or stayed on appeal or otherwise, or if, within one hundred twenty (120) days after the expiration of any such stay, such appointment is not vacated, and a replacement guarantor or other party furnishing comparable security acceptable to Landlord (solely with respect to financial responsibility of the replacement guarantor) is not provided within thirty (30) days after notice to Tenant of the foregoing;

(h) [Intentionally omitted.]

(i) if Tenant shall fail to maintain the insurance required to be maintained by Tenant pursuant to Article 7, and such failure continues for ten (10) Business Days after Landlord's notice thereof to Tenant specifying such failure;

(j) other than with respect to the Initial Renovation Work, if Tenant shall fail to observe or perform (subject to Unavoidable Delays) one or more of the terms, conditions, covenants or agreements of this Lease not otherwise expressly provided for in this Section 24.1, and such failure shall continue for a period of thirty (30) days after Landlord's notice thereof to Tenant specifying such failure (unless such failure requires work to be performed, acts to be done, or conditions to be removed which cannot, by their nature, reasonably be performed, done or removed within such thirty (30) day period, in which case no Event of Default shall be deemed to exist as long as Tenant shall have commenced curing the same within the thirty (30) day period and shall diligently and continuously prosecute the same to completion);

(k) to the extent permitted by law, if Tenant shall admit, in writing, that it is unable to pay its debts as such become due;

(l) to the extent permitted by law, if Tenant shall make an assignment for the benefit of creditors;

(m) to the extent permitted by law, if Tenant shall file a voluntary petition under Title 11 of the United States Code or if such petition shall be filed against Tenant and an order for relief shall be entered, or if Tenant shall file a petition or an answer seeking, consenting to, or acquiescing in, any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under the present or any future Federal bankruptcy code or any other present or future applicable Federal, State or other bankruptcy or insolvency statute or law, or shall seek, or consent to, or acquiesce in, or suffer the appointment of, any trustee, receiver, custodian, assignee, sequestrator, liquidator or other similar official of Tenant, or of all or any substantial part of its properties, or of the Premises or any interest of Tenant therein, or if Tenant shall take any partnership or corporate action in furtherance of any action described in Sections 24.1(k), 24.1(l) or 24.1(m) hereof;

(n) to the extent permitted by law, if within ninety (90) days after the commencement of a proceeding against Tenant seeking any reorganization, arrangement, composition readjustment, liquidation, dissolution or similar relief under the present or any future Federal bankruptcy code or any other present or future applicable Federal, State or other bankruptcy or insolvency statute or law, such proceeding shall not be dismissed, or if, within one hundred twenty (120) days after the appointment, without the consent or acquiescence of Tenant, of any trustee, receiver, custodian, assignee, sequestrator, liquidator or other similar official of Tenant, or of all or any substantial part of its properties, or of the Premises or any interest of Tenant therein, such appointment shall notes be vacated or stayed on appeal or otherwise, or if, within one hundred twenty (120) days after the expiration of any such stay, such appointment shall not be vacated;

(o) if any of the representations made by Tenant in Article 18 hereof shall be proved to be or shall have been false or incorrect in any material respect;

(p) if (i) a levy under execution or attachment shall be made against the Premises or any part thereof, the income therefrom, this Lease or the leasehold estate created hereby and such execution or attachment cause this Lease or the Leasehold Estate to be in imminent danger of being forfeited or sold in discharge of such levy, or (ii) if a levy under execution or attachment in an amount equal to or greater than five hundred thousand dollars ($500,000) shall be made against Tenant or any of its properties other than the Premises or any part thereof, the income therefrom or the leasehold estate created hereby and such execution or attachment shall not have been vacated or removed by court order, bonding or otherwise within a period of one hundred twenty (120) days; or

(q) Subject to Tenant's rights of contest pursuant to Section 35.3 hereof, if Tenant shall violate any of the Requirements, as required under Section 16.1 hereof and such violation shall continue for thirty (30) days following notice thereof from Landlord specifying such violation (except in the case of a violation which threatens imminent harm to persons or property, in which case (i) no such notice shall be required and (ii) no extension of any cure period shall be permitted) , unless such failure requires work to be performed, acts to be done, or conditions to be removed which cannot, by their nature, reasonably be performed, done or removed within such thirty (30) day period, in which case no Event of Default shall be deemed to exist as long as Tenant shall have commenced curing the same within the thirty (30) day period and shall diligently and continuously prosecute the same to completion.

Section 24.2 Remedies.

(a) Enforcement of Performance. If an Event of Default occurs, Landlord may elect to proceed by appropriate judicial proceedings, either at law or in equity, to enforce performance or observance by Tenant of the applicable provisions of this Lease and/or to recover damages for breach thereof.

(b) Expiration and Termination of Lease.

(i) Notice. Subject to Article 11 (i.e., Mortgages) hereof, if an Event of Default occurs, then Landlord, at any time thereafter, may at its option give a written notice to Tenant stating that this Lease and the Term shall expire and terminate on the date specified in such notice, which date shall not be less than five (5) days after the giving of such second notice, then this Lease and the Term and all rights of Tenant under this Lease shall expire and terminate as if the date specified in the notice were the Final Expiration Date, and Tenant shall quit and surrender the Premises forthwith. If such termination is stayed by order of any court having jurisdiction over any case described in Section 24.1(i) or (j) hereof or by federal or state statute then following the expiration of any such stay, or if the trustee appointed in any such case, Tenant or Tenant as debtor-in-

possession fails to assume Tenant's obligations under this Lease within the period prescribed therefor by law or within one hundred twenty (120) days after entry of the order for relief or as may be allowed by the court, or if the trustee, Tenant or Tenant as debtor-in-possession fails to provide adequate protection of Landlord's right, title and interest in and to the Premises and adequate assurance of the complete and continuous future performance of Tenant's obligations under this Lease as provided in Section 24.109 hereof, Landlord, to the extent permitted by law, or by leave of the court having jurisdiction over such case, shall have the right, at its election, to terminate this Lease on five (5) days notice to Tenant, Tenant as debtor-in-possession or the trustee. Upon the expiration of the five (5) day period, this Lease shall cease and Tenant, Tenant as debtor-in-possession and/or the trustee immediately shall quit and surrender the Premises.

(ii) Re-Entry. If this Lease is terminated as provided in this Section 23.2, Landlord may, without notice, re-enter and repossess the Premises and may dispossess Tenant by summary proceedings or otherwise.

(iii) Termination. If this Lease shall be terminated as provided in this Section 24.2:

(1) Tenant shall pay to Landlord all Rental payable under this Lease by Tenant to Landlord to the date upon which the Term shall have expired and come to an end and Tenant shall remain liable for Rental thereafter falling due on the respective dates when such Rental would have been payable but for the termination of this Lease;

(2) Landlord may complete all Construction Work required to be performed by Tenant or on Tenant's behalf hereunder and may repair and alter any portion(s) of the Premises in such manner as Landlord may deem necessary or advisable without relieving Tenant of any liability under this Lease or otherwise affecting any such liability, and/or let or relet the Premises or any Portion thereof for the whole or any part of the remainder of the Term or for a longer period, in Landlord's name or as agent of Tenant, and out of any rent and other sums collected or received as a result of such reletting Landlord shall (A) first, pay to itself the cost and expense of terminating what would otherwise have constituted the unexpired portion of the Term, re-entering, retaking, repossessing, repairing, altering and/or entering, completing construction of any portion(s) of the Premises and the cost and expense of removing all Persons and property therefrom, including in such costs, brokerage commissions, legal expenses and reasonable attorneys, fees and disbursements; (B) second, pay to itself the cost and expense sustained in securing any new tenants and other occupants, including in such costs, brokerage commissions, legal expenses and reasonable attorneys' fees and disbursements and other expenses of preparing any portion(s) of the Premises and, to the extent that Landlord shall maintain and operate any portion(s) of the Premises, the cost and expense of operating and maintaining same; and (C) third, pay to itself any balance remaining on account of the liability of Tenant to Landlord. Landlord in no way shall be responsible or

liable for any failure to relet any portion(s) of the Premises or for any failure to collect any rent due on any such reletting, and no such failure to relet or to collect rent shall operate to relieve Tenant of any liability under this Lease or to otherwise affect any such liability.

Section 24.3 Waiver of Rights of Tenant. To the extent not prohibited by law, Tenant hereby waives and releases all rights now or hereafter conferred by statute to redemption, re-entry, repossession or restoration if Tenant is dispossessed by a judgment or order of any court or judge. Tenant shall execute, acknowledge and deliver within ten (10) days after request by Landlord any instrument that Landlord may request, evidencing such waiver or release.

Section 24.4 Receipt of Moneys After Notice or Termination. No receipt of moneys by Landlord from Tenant after the termination of this Lease, or after the giving of any notice of the termination of this Lease, shall reinstate, continue or extend the Term or affect any notice theretofore given to Tenant, or operate as a waiver of the right of Landlord to enforce the payment of Rental payable by Tenant hereunder or thereafter falling due, or operate as a waiver of the right of Landlord to recover possession of the Premises by proper remedy. After the service of notice to terminate this Lease or the commencement of any suit or summary proceedings or after a final order or judgment for the possession of the Premises, Landlord may demand, receive and collect any moneys due or thereafter falling due without in any manner affecting the notice, proceeding, order, suit or judgment, all such moneys collected being deemed payments on account of the use and occupation of the Premises or, at the election of Landlord, on account of Tenant's liability hereunder.

Section 24.5 Waiver of Service. Tenant hereby expressly waives the service of any notice of intention to re-enter provided for in any statute, or of the institution of legal proceedings in connection therewith and Tenant, for and on behalf of itself and all Persons claiming through or under Tenant, also waives any and all rights (a) of redemption provided by any law or statute now in force or hereafter enacted or otherwise, or (b) of re-entry, or (c) of repossession or (d) to restore the operation of this Lease, if Tenant is dispossessed by a final, non-appealable judgment or by warrant of a court or judge or in case of re-entry or repossession by Landlord or in case of any expiration or termination of this Lease. The terms "enter", "re-enter", "entry" or "re-entry", as used in this Lease, are not restricted to their technical legal meanings.

Section 24.6 Strict Performance. No failure by Landlord to insist upon Tenant's strict performance of any covenant, agreement, term or condition of this Lease or to exercise any right or remedy available to Landlord by reason of a Default or Event of Default, and no payment or acceptance of full or partial Rental during the continuance of any Default or Event of Default, shall constitute a waiver of any such Default or Event of Default or of such covenant, agreement, term or condition. No covenant, agreement, term or condition of this Lease to be performed or complied with by either party, and no Default by Tenant shall be waived, altered or modified except by a written instrument executed by the other party. No waiver of any Default shall affect or alter this Lease, but each and every covenant, agreement, term and condition of this Lease shall continue in full force and effect with respect to any other then existing or subsequent Default.

Section 24.7 Landlord's Right to Enjoin Defaults or Threatened Defaults and Compel Specific Performances. In the event of Tenant's Default or threatened Default, Landlord shall be entitled to enjoin the Default or threatened Default and shall have the right to invoke any rights and remedies allowed at law or in equity or by statute or otherwise, and Landlord shall have the right to compel specific performance notwithstanding any other remedies that may be available to Landlord. Each right and remedy of Landlord provided for in this Lease shall be cumulative and shall be in addition to every other right or remedy provided for in this Lease or now or hereafter existing at law or in equity or by statute or otherwise, and the exercise or beginning of the exercise by Landlord of any one or more of the rights or remedies provided for in this Lease or now or hereafter existing at law or in equity or by statute or otherwise shall not preclude the simultaneous or later exercise of any or all other rights or remedies provided for in this Lease or now or hereafter existing at law or in equity or by statute or otherwise.

Section 24.8 Tenant's Payment of All Costs and Expenses. Tenant shall pay Landlord all costs and expenses, including, without limitation, reasonable attorneys' fees and disbursements, incurred by Landlord in any action or proceeding to which Landlord may be made a party by reason of any act or omission of Tenant that constitutes a Default. Tenant shall also pay Landlord all costs and expenses, including, without limitation, reasonable attorneys' fees and disbursements incurred by Landlord in enforcing any of the covenants and provisions of this Lease, unless Tenant is the prevailing party in any action or proceeding commenced to enforce any of the covenants or provisions of this Lease. All of the sums paid or obligations incurred by Landlord, with interest and costs, shall be paid by Tenant to Landlord within ten (10) days after demand.

Section 24.9 Remedies Under Bankruptcy and Insolvency Codes. If an order for relief is entered or if any proceeding or other act becomes effective against Tenant or Tenant's interest in this Lease in any proceeding which is commenced by or against Tenant under the present or any future Federal Bankruptcy Code or in a proceeding which is commenced by or against Tenant seeking a reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any other present or future applicable federal, state or other bankruptcy or insolvency statute or law, Landlord shall be entitled to invoke any and all rights and remedies available to it under such bankruptcy or insolvency code, statute or law or this Lease, including, without limitation, such rights and remedies as may be necessary to adequately protect Landlord's right, title and interest in and to the Premises or any part thereof and adequately assure the complete and continuous future performance of Tenant's obligations under this Lease. Adequate protection of Landlord's right, title and interest in and to the Premises, and adequate assurance of the complete and continuous future performance of Tenant's obligations under the Lease, shall include, without limitation, all of the following requirements:

(a) that Tenant shall comply with all of its obligations under this Lease;

(b) that Tenant shall pay Landlord, on the first day of each month occurring after the entry of such order, or on the effective date of such stay, a sum equal to the amount by which the Premises diminished in value during the immediately preceding monthly period, but, in no event an amount which is less than the aggregate Rental payable for such monthly period;

(c) that Tenant shall continue to use the Premises in the manner required by

this Lease;

(d) that Landlord shall be permitted to supervise the performance of Tenant's obligations under this Lease;

(e) that Tenant shall hire such security personnel as may be necessary to insure the adequate protection and security of the Premises;

(f) that Tenant shall pay Landlord, within thirty (30) days after entry of such order or the effective date of such stay, as partial adequate protection against future diminution in value of the Premises and adequate assurance of the complete and continuous performance of Tenant's obligations under this Lease, a security deposit in an amount acceptable to Landlord, but in no event less than the Base Rent payable hereunder, for the then current Lease Year;

(g) that Tenant shall have and will continue to have unencumbered assets after the payment of all secured obligations and administrative expenses to assure Landlord that sufficient funds will be available to fulfill the obligations of Tenant under this Lease;

(h) that Landlord shall be granted a security interest acceptable to it in property of Tenant to secure the performance of Tenant's obligations under this Lease; and

(i) that if Tenant's trustee, Tenant or Tenant as debtor-in-possession shall assume this Lease and propose to assign it (pursuant to Title 11 U.S.C. § 365, as it may be amended) to any Person who shall have made a bona fide offer therefor, the notice of such proposed assignment, giving (i) the name and address of such Person, (ii) all of the terms and conditions of such offer, and (iii) the adequate assurance to be provided Landlord to assure such Person's future performance under the Lease, including, without limitation, the assurances referred to in Title 11 U.S.C. § 365(b), as it may be amended, shall be given to Landlord by the trustee, Tenant or Tenant as debtor-in-possession no later than twenty (20) days after receipt by the trustee, Tenant or Tenant as debtor-in-possession of such offer, but in any event no later than ten (10) days before the date that the trustee, Tenant or Tenant as debtor-in-possession shall make application to a court of competent jurisdiction for authority and approval to enter into such assignment, and Landlord shall thereupon have the prior right and option, to be exercised by notice to the trustee, Tenant or Tenant as debtor-in-possession, given at any time before the effective date of such proposed assignment, to accept an assignment of this Lease upon the same terms and conditions and for the same consideration, if any, as the bona fide offer made by such Person, less any brokerage commissions which may be payable by Tenant out of the consideration to be paid by such Person for the assignment of this Lease.

Section 24.10 Funds Held by Depositary. If this Lease shall terminate as a result of an Event of Default, any funds held by Depositary shall be paid to Tenant, or any Person claiming

through Tenant, unless a Recognized Mortgagee has entered into a new lease pursuant to Sections 11.4 hereof. Notwithstanding the foregoing but subject to Section 7.2(a) and Section 9.2, any insurance proceeds or condemnation award then made available shall be retained by the Depositary and disbursed directly to Landlord for any Construction Work or other work to be performed by Landlord.

Section 24.11 Funds Held by Tenant. From and after the date, if any, on which Tenant receives notice from Landlord that an Event of Default shall have occurred hereunder, Tenant shall not pay, disburse or distribute any rents, issues or profits of the Premises, or portion thereof, the proceeds of any insurance policies covering or relating to the Premises or any portion thereof or any awards payable in connection with the condemnation of the Premises or any portion thereof theretofore paid to Tenant (except to the extent that such insurance proceeds or condemnation awards are required in connection with any restoration work to be performed pursuant to Article 8 or 9), except to (i) subject to (ii) below, a creditor that is not an Affiliate of Tenant or a Person who is, or who is a member of the immediate family (whether by birth or marriage) of, a member, partner, director or officer of Tenant, in payment of amounts then due and owing by Tenant to such creditors, (ii) an Affiliate of Tenant or a Person who is, or who is a member of the immediate family (whether by birth or marriage) of, a member, partner, director or officer of Tenant, in payment of amounts then due and owing by Tenant to such Affiliate or such other Person for credit, items or services provided to Tenant in connection with its operations conducted at the Premises or any portion thereof to the extent such amounts do not exceed those that are reasonably paid in arm's length transactions to Persons who are not Affiliates or such members, partners, directors, officers or family members for the extension of credit or comparable items and services, (iii) the holders of Recognized Mortgages, in payment of the principal amount, all unpaid and accrued interest and other sums then outstanding under such Recognized Mortgages and any other amounts payable pursuant to such Recognized Mortgages, (iv) in the case of insurance proceeds or condemnation awards, to the parties performing any restoration work, and (v) to satisfy Requirements; provided however, that the foregoing provisions of this Section 24.121 shall not prohibit Tenant from making distributions to such directors, officers or shareholders of Tenant or to such partners or tenants-in-common comprising Tenant, if, after making any such distributions to such directors, officers or shareholders of Tenant or to such partner or tenants-in-common comprising Tenant, Tenant shall have retained an amount which is not less than the amount which Landlord reasonably claims is due and owing in connection with such Event of Default or reasonably claims will be adequate to cure such Event of Default. The foregoing shall be subject to the rights of Landlord upon termination of this Lease pursuant to Section 24.3 and the last sentence of Section 24.11.

Section 24.12 Available Remedies. Except as otherwise provided herein, no right or remedy conferred upon Landlord in this Lease is intended to be exclusive of any other right or remedy contained in this Lease. Except as otherwise provided herein, every such right or remedy shall be cumulative and shall be in addition to each other right and remedy contained in this Lease or now or hereafter available to Landlord at law, in equity, by statute or otherwise.

Section 24.13 Survival. The rights and remedies of Landlord and the other provisions of this Article shall survive the expiration or earlier termination of this Lease.

ARTICLE 25

LANDLORD'S RIGHT TO PERFORM TENANT'S COVENANTS; TENANT'S RIGHT TO PERFORM LANDLORD'S COVENANTS

Section 25.1 Right to Perform.

(a) Landlord's Right to Perform. If at any time Tenant shall fail to pay for or maintain any of the insurance policies required to be provided by Tenant pursuant to Article 7 hereof, or to make any other payment, including the obligation to cause the discharge of Liens pursuant to Article 17, then, upon not less than fifteen (15) Business Days' prior notice to Tenant (or, in case of any emergency or any other circumstances that may materially adversely affect Landlord, or Landlord's interest in the Premises, on such notice as may be reasonable under the circumstances), and without either releasing Tenant from any obligation of Tenant hereunder, or waiving Landlord's right to terminate this Lease upon an Event of Default in accordance with the provisions hereof, or any other right or remedy available to Landlord hereunder, at law or at equity, Landlord may (but shall not be required to):

(i) pay for and maintain any of the insurance policies required to be furnished by Tenant pursuant to Article 7 hereof; or

(ii) make any other payment on Tenant's part to be made in accordance with this Lease, and may take all such action as may be necessary therefor.

Section 25.2 Intentionally omitted.

Section 25.3 Amounts Paid by Landlord or Tenant.

(a) Amounts Paid by Landlord are Rental. All sums so paid by Landlord and all costs and expenses incurred by Landlord in connection with the performance of any act pursuant to Section 25.1 shall bear interest thereon at the Late Charge Rate from the respective dates of Landlord's making of each such payment, or incurring each such cost and expense. All such sums and interest thereon shall be paid by Tenant or caused to be paid by Tenant to Landlord, upon demand, but in no event not later than the first day of the month following the giving of any notice related thereto.

(b) Amounts Paid by Tenant. Upon demand by Tenant, Landlord shall reimburse Tenant for all sums so paid by Tenant and all costs and expenses incurred by Tenant in connection with the performance of any act pursuant to Section 25.2, plus interest thereon at the Late Charge Rate.

Section 25.4 Proof of Damages. Landlord shall not be limited in the proof of any damages that it may claim against Tenant arising out of, or by reason of, Tenant's failure to

provide and keep insurance in force in accordance with the provisions of this Lease to the amount of the insurance premium or premiums not paid. Landlord shall be entitled to seek, and if successful, to recover, as damages for such Default or Event of Default, the uninsured amount of any loss and damage sustained or incurred by it and the costs and expenses of any suit in connection therewith, including attorneys' fees and disbursements.

Section 25.5 Right to Use Deposited Funds. Upon Landlord taking any action to commence and complete any of Tenant's obligations pursuant to Section 25.1 above, (a) Tenant shall, as provided in Article 8, pay immediately, or cause to be paid immediately, to Landlord, all insurance proceeds that have been received by Tenant in connection with a casualty (or proceeds of a condemnation award received in connection with a condemnation affecting part or all of the Property as provided in Article 9), reduced by (i) the costs reasonably incurred by Tenant in the collection of such proceeds and (ii) with regard to such obligations that may constitute Construction Work, those reasonable amounts that Tenant has applied to the Construction Work, and if such sums are insufficient to complete the Construction Work, Tenant on Landlord's demand shall pay the deficiency to Landlord, and (b) Lease Administrator shall pay all undisbursed moneys held by it to Landlord.

Section 25.6 Discharge of Liens. If Tenant shall fail to cause any mechanic's, laborer's, vendor's, material provider's or similar statutory Lien or any public improvement Lien to be discharged in accordance with the provisions of Article 17 hereof, Landlord may, but shall not be obligated to, discharge such Lien of record either by paying the amount claimed to be due or by procuring the discharge of such Lien by deposit or by bonding proceedings. Landlord may also compel the prosecution of an action for the foreclosure of such Lien by the lienor and the payment of the amount of the judgment in favor of the lienor with interest, costs and allowances. Any liability, cost or expense (including court costs and attorney's fees and disbursements) incurred by Landlord or Lease Administrator in connection with the discharge of any such Lien shall constitute Rental and shall be payable by Tenant upon demand therefor by either Landlord or Lease Administrator.

Section 25.7 Waiver, Release and Assumption of Obligations. Landlord's payment or performance pursuant to the provisions of this Article shall not constitute, nor be deemed to constitute (a) a waiver or release of the Default or Event of Default with respect thereto (or any past or future Default or Event of Default) or of Landlord's right to terminate this Lease and/or to take such other action as may be permissible under law or hereunder, or (b) Landlord's assumption of Tenant's obligations to pay or perform any of Tenant's past, present or future obligations hereunder.

ARTICLE 26

NOTICES

Section 26.1 All Notices, Communications, Etc. in Writing. Whenever it is provided herein that notice, demand, request, consent, approval or other communication may be given to, or served upon, either of the other, or whenever either of the parties desires to give or serve upon the other any notice, demand, request, consent, approval or other communication with respect

hereto or to the Premises, each such notice, demand, request, consent, approval or other communication shall be in writing and shall be effective for any purpose if given or served as follows:

(i) If by Landlord by personal delivery with receipt acknowledged, by reputable overnight courier, or by mailing the same to Tenant by certified mail, postage prepaid, return receipt requested, addressed to

South Street Seaport Limited Partnership,
c/o The Howard Hughes Corporation
One Galleria Tower
13355 Noel Road, 22nd Floor
Dallas, Texas 75240
Attention: Grant Herlitz, President

with copies thereof to:

Skadden, Arps, Slate, Meagher & Flom LLP
4 Times Square
New York, New York 10036
Attention: Benjamin F. Needell, Esq.

or to such other address(es) and attorneys as Tenant may from time to time designate by notice given to Landlord by certified mail.

(ii) If by Tenant, by personal delivery with receipt acknowledged, by reputable overnight courier, or by mailing the same to Landlord by certified mail, postage prepaid, return receipt requested, addressed to:

City of New York,
Department of Small Business Services
110 William Street
New York, New York 10038
Attention: First Deputy Commissioner

with copies thereof to

(i) New York City Law Department,
100 Church Street,

New York, New York 10007,
Attention: Chief, Economic Development Division

and

(ii) New York City Economic Development Corporation,
110 William Street,
New York, New York 10038,
Attention: General Counsel,

or to such other address(es) and attorneys as Landlord may from time to time designate by notice given to Tenant by certified mail.

Section 26.2 Service. Every notice, demand, request, consent, approval or other communication hereunder shall be deemed to have been given if by express or certified mail, return receipt requested, on the date such receipt is dated by the Post Office or express mail carrier, as the case may be, and notice by hand or overnight courier shall be effective upon delivery, as evidenced by a signed receipt, or as of the date delivery is rejected as indicated on the return receipt.

ARTICLE 27

STREET WIDENING

Section 27.1 Proceedings for Widening Street. If any proceedings are instituted or orders made for the widening or other enlargement of any street contiguous to the Premises requiring removal of any projection or encroachment on, under or above any such street, or any changes or alteration upon the Premises, or in the sidewalks, grounds, parking facilities, plazas, areas, vaults, gutters, alleys, curbs or appurtenances, Tenant shall comply promptly with such requirements, at its sole cost and expense, and if Tenant shall fail to comply with such requirements within thirty (30) days after notice thereof by Landlord to Tenant specifying such failure (or if compliance with such requirements requires work to be performed, acts to be done or conditions to be removed which cannot, by their nature, reasonably be performed, done or removed, as the case may be, within such thirty (30) day period, if, within such thirty (30) day period, Tenant shall fail to commence to remedy such failure or shall fail to diligently and continuously, subject to Unavoidable Delays, prosecute the same to completion), then, Landlord, upon notice to Tenant may comply with the same, and the amount expended therefor, together with any interest, fines, penalties, reasonable architects' and attorneys' fees and disbursements or other costs and expenses incurred by Landlord in effecting such compliance or as a result of Tenant's failure to so comply, shall constitute Rental hereunder and shall be payable by Tenant to Landlord on demand.

Section 27.2 Contest of Proceedings. Tenant shall be permitted to contest in good faith any proceedings or orders for street widening or any changes or alterations resulting therefrom or

necessitated thereby, provided that such contest shall be brought in accordance with the provisions of Section 35.3 hereof as though Tenant were contesting a Requirement thereunder.

Section 27.3 Distribution of Award. Any award made in connection with such proceedings shall be deemed to be an award made in connection with a taking of less than all or Substantially All of the Premises and shall be paid, distributed and applied in accordance with the provisions of Section 9.2 hereof.

ARTICLE 28

EXCAVATIONS AND SHORING

Section 28.1 Excavations on Adjacent Property. If any excavation is contemplated for construction or other purposes upon property adjacent to the Premises, subject to the rights of Subtenants under the Subleases, Tenant, at its option, shall either:

(a) afford to Landlord or, at Landlord's option, to the Person or Persons causing or authorized to cause such excavation the right to enter upon the Premises in a reasonable manner for the purpose of doing such work as may be necessary to preserve any of the walls of the Building or other structures on the Premises from injury or damage and to support them by proper foundations. If so requested by Tenant, such entry and work shall be done in the presence of a representative of Tenant, provided that such representative is available when the entry and work are scheduled to be done, and in all events such work shall be performed with reasonable diligence (subject to Unavoidable Delays) in accordance with, and subject to, any applicable Requirements, or

(b) perform or cause to be performed, at Landlord's or such other Person's expense, all such work as may be necessary to preserve any of the walls of the Building or other structures on the Premises from injury or damage and to support them by proper foundations.

Section 28.2 No Claim Against Landlord. Tenant shall not, by reason of any such excavation or work, have any claim against Landlord for damages or for indemnity or for suspension, diminution, abatement or reduction of the Rental payable by Tenant hereunder.

ARTICLE 29

CERTIFICATES BY LANDLORD AND TENANT

Section 29.1 Certificate of Tenant. Tenant shall, within fifteen (15) days after notice by Landlord, execute, acknowledge and deliver to Landlord or any other Person specified by Landlord, a statement (which may be relied upon by such Person) (a) certifying (i) that this Lease is unmodified and in full force and effect (or if there are modifications, that this Lease, as modified, is in full force and effect and stating such modifications), and (ii) the date to which each item of Rental payable by Tenant hereunder has been paid, (b) stating (i) whether Tenant

has given Landlord notice of any event that, with the giving of notice or the passage of time, or both, would constitute a default by Landlord in the performance of any covenant, agreement, obligation or condition contained in this Lease, and (ii) whether, to the best knowledge of Tenant, Landlord is in default in performance of any covenant, agreement, obligation or condition contained in this Lease, and, if so, specifying in detail each such default and (c) stating such other information as Landlord may reasonably request.

Section 29.2 Certificate of Landlord. Landlord shall, within fifteen (15) days after notice by Tenant, execute, acknowledge and deliver to Tenant, or such other Person specified by Tenant, a statement (which may be relied upon by such Person) (a) certifying (i) that this Lease is unmodified and in full force and effect (or if there are modifications, that this Lease, as modified, is in full force and effect and stating such modifications), and (ii) the date to which each item of Rental payable by Tenant hereunder has been paid, (b) stating (i) whether an Event of Default has occurred or whether Landlord has given Tenant notice of any event that, with the giving of notice or the passage of time, or both, would constitute an Event of Default, and (ii) whether, to the best knowledge of Landlord, Tenant is in Default in the performance of any covenant, agreement, obligation or condition contained in this Lease, and, if so, specifying, in detail, each such Default or Event of Default and (c) stating such other information as Tenant may reasonably request.

Section 29.3 Substantial Completion Certificate. Upon Tenant's satisfaction of the conditions required with respect to Substantial Completion of the Initial Renovation Work, Landlord, upon request of Tenant, shall deliver a certificate in recordable form confirming same and setting forth the date on which the Construction of the Building has been Substantially Completed.

Section 29.4 Authority of Party Executing Certificate. If the party delivering a certificate described in this Article 289 shall be other than an individual, the instrument shall be signed by a person authorized to execute on behalf of said party and the delivery of such instrument shall be a representation to such effect. Any such certificate may be relied upon by any prospective purchaser of the interest of Landlord or Tenant hereunder or by any prospective Mortgagee, Recognized Mortgagee or Recognized Mezzanine Lender.

ARTICLE 30

CONSENTS AND APPROVALS

Section 30.1 Effect of Granting or Failure to Grant Approvals or Consents. All consents and approvals which may be given under this Lease shall, as a condition of their effectiveness, be in writing. The granting of any consent or approval by a party to perform any act requiring consent or approval under the terms of this Lease, or the failure on the part of a party to object to any such action taken without the required consent or approval, shall not be deemed a waiver by the party whose consent was required of its right to require such consent or approval for any further similar act.

Section 30.2 Remedy for Refusal to Grant Consent or Approval. If, pursuant to the terms of this Lease, (a) any consent or approval by Landlord or Tenant is required and (b) the party receiving such request for consent or approval fails within (x) the time period required for such approval as set forth in this Lease or (y) if no time period is specified in this Lease, thirty (30) days following receipt of such request, either to grant or deny such consent or approval (setting forth, in the case of denial, the reasons for such denial in reasonable detail), then (provided the original request for consent so indicated in bold letter), such consent or approval shall be deemed granted at the expiration of (x) the time period required for such approval as set forth in this Lease, or (y) if no time period is specified in this Lease, such thirty (30) day period. If, pursuant to the terms of this Lease, any consent or approval by Landlord or Tenant is not to be unreasonably withheld or is subject to a specified standard, then in the event of a final determination that the consent or approval was unreasonably withheld or that such specified standard has been met (such that the consent or approval should have been granted), the consent or approval shall be deemed granted but the granting of the consent or approval shall be the only remedy to the party requesting or requiring the consent or approval.

Section 30.3 No Unreasonable Delay; Reasonable Satisfaction. If it is provided that a particular consent or approval by Landlord or Tenant is not to be unreasonably withheld, such consent or approval also shall not be unreasonably delayed and any matter required to be done satisfactorily or to the satisfaction of a party need only be done reasonably satisfactorily or to the reasonable satisfaction of that party.

Section 30.4 No Fees, Etc. Except as specifically provided herein, no fees or charges of any kind or amount shall be required by either party hereto as a condition of the grant of any consent or approval which may be required under this Lease.

ARTICLE 31

SURRENDER AT END OF TERM

Section 31.1 Surrender of Premises. Upon the Expiration of the Term (or upon a termination and re-entry by Landlord upon the Premises pursuant to Article 24 hereof), Tenant, without any payment or allowance whatsoever by Landlord, shall surrender the Premises to Landlord, in good order, condition and repair, reasonable wear and tear excepted, free and clear of all Subleases, liens and encumbrances other than (a) Subleases to which Landlord has given recognition pursuant to the provisions of Section 10.7 hereof, (b) those liens and encumbrances which Landlord shall have consented and agreed to writing and (c) the Title Matters. Tenant hereby waives any notice now or hereafter required by law with respect to vacating the Premises on the Expiration of the Term.

Section 31.2 Delivery of Subleases, Etc. Upon the Expiration of the Term (or upon a termination and re-entry by Landlord upon the Premises pursuant to Article 24 hereof), Tenant shall deliver to Landlord, Tenant's executed counterparts of all Subleases and any service and maintenance contracts then affecting the Premises, true and complete maintenance records for the Premises, all original (or, if unavailable, copies of) licenses and permits then pertaining to the Premises, permanent or temporary certificates of occupancy then in effect for the Building, and

all warranties and guarantees then in effect which Tenant has received in connection with any work or services performed or Equipment installed in the Building, together with a duly executed assignment thereof to Landlord, and all financial reports, books and records required by Article 367 hereof, and any and all other documents of every kind and nature whatsoever in Tenant's possession relating to the operation of the Premises all to the extent necessary for the continued operation or maintenance of the Premises.

Section 31.3 Personal Property. Any personal property of Tenant or of any Subtenant which shall remain on the Premises for ten (10) days after the termination of this Lease and after the removal of Tenant or such Subtenant from the Premises, may, at the option of Landlord, be deemed to have been abandoned by Tenant or such Subtenant, and either may be retained by Landlord as its property or be disposed of, without accountability in such manner as Landlord may see fit, subject to the rights of any Recognized Mortgagee if a new lease has not been entered into pursuant to Section 11.4 hereof. Landlord shall not be responsible or any loss or damage occurring to any such property owned by Tenant or any Subtenant after the expiration of such ten (10) day period.

Section 31.4 Survival Clause. The provisions of this Article 301 shall survive the Expiration of the Term.

ARTICLE 32

ENTIRE AGREEMENT

Section 32.1 Entire Agreement. This Lease, together with the Exhibits hereto, contains all of the promises, agreements, conditions, inducements and understandings between Landlord and Tenant concerning the Premises and there are no promises, agreements, conditions, understandings, inducements, warranties or representations, oral or written, expressed or implied, between them other than as expressly set forth herein and therein.

ARTICLE 33

QUIET ENJOYMENT

Section 33.1 Quiet Enjoyment.

Landlord covenants that, as long as no Event of Default has occurred and has not been remedied, Tenant shall and may (subject to the terms and conditions of this Lease) peaceably and quietly have, hold and enjoy the Premises for the Term without molestation or disturbance by or from Landlord or any Person claiming through Landlord and free of any encumbrances except for Title Matters and those encumbrances created or suffered by Tenant.

Section 33.2 Access and Inspection.

Notwithstanding anything to the contrary in this Lease, Landlord and its agents, representatives, and designees shall have the right to enter the Premises upon reasonable notice to Tenant during regular business hours, and in accordance with Tenant's reasonable instructions, solely to: (a) ascertain whether Tenant is complying with this Lease; (b) cure Tenant's Defaults of which Landlord has given Tenant notice; (c) inspect the Premises and any Construction Work; (d) perform such tests, borings, and other analyses as Landlord shall determine may be necessary or appropriate relating to the (non)compliance of the Premises with any Environmental Law or possible existence of Hazardous Substances on, at, or under the Premises; or (e) show the Premises to prospective purchasers, transferees, or mortgagee of any of Landlord's interest in the Premises. In entering the Premises, Landlord and its designees shall not unreasonably interfere with operations on the Premises nor the use and enjoyment thereof by Tenant, Subtenants and their respective invitees, and Landlord shall comply with Tenant's reasonable instructions. Landlord shall indemnify Tenant against any claims arising from Landlord's entry upon the Premises under this paragraph or any other provision of this Lease permitting Landlord to enter the Premises (except upon termination of this Lease or upon Landlord's exercise of its right of re-entry upon an Event of Default under this Lease).

ARTICLE 34

ARBITRATION

Section 34.1 Procedure for Arbitration. In cases where this Lease expressly provides for the settlement of a dispute or question by arbitration, the arbitration shall be conducted in accordance with the following:

(a) The party desiring arbitration shall appoint a disinterested person that satisfies the requirements of Section 34.1(a), below, as arbitrator on its behalf and give notice thereof to the other party who shall, within fifteen (15) days thereafter, appoint a second disinterested person that satisfies the requirements of Section 34.1(a), below, as arbitrator on its behalf and give notice thereof to the first party.

(b) The two (2) arbitrators thus appointed shall together appoint a third disinterested person that satisfies the requirements of Section 34.1(a), below, within fifteen (15) days after the appointment of the second arbitrator, and said three (3) arbitrators shall, as promptly as possible, determine the matter that is the subject of the arbitration and the decision of the majority of them shall be conclusive and binding on all parties and judgment upon the award may be entered in any court having jurisdiction.

(c) If a party who has the right pursuant to the foregoing to appoint an arbitrator fails or neglects to do so, then and in such event, the other party (or if the two (2) arbitrators appointed by the parties fail to appoint a third arbitrator when required hereunder, then either party) may apply to the American Arbitration Association (or any organization successor thereto), or in its absence, refusal, failure or inability to act, may apply for a court appointment of such arbitrator.

(d) The arbitration shall be conducted in the City and County of New York, and to the extent applicable and consistent with this Section, shall be conducted in accordance with the commercial Arbitration Rules then obtaining of the American Arbitration Association in effect at the time of such arbitration or any successor body of similar function. Each party shall have the right to present evidence in the arbitration.

(e) Each party shall pay (i) its own fees and expenses relating to the arbitration and its arbitrator (including, without limitation, the fees and expenses of its counsel and of experts and witnesses retained or called by it) and (ii) one-half of the fees and expenses of the third arbitrator, provided, that the arbitrators shall have the authority to award such fees and expenses in favor of the prevailing party.

(f) Landlord and Tenant shall sign all documents and do all other things necessary to submit any such matter to arbitration and further shall, and hereby do, waive any and all rights they or either of them may at any time have to revoke their agreement hereunder to submit to arbitration and to abide by the decision rendered thereunder. The arbitrators shall have no power to vary or modify any of the provisions of this Lease and their jurisdiction is limited accordingly.

(g) Each of the arbitrators shall be a licensed professional engineer or registered architect having at least ten (10) years' experience in the design and construction of Building similar in all material respects to the Premises. If the subject matter of the dispute does not involve construction or design related issues, the arbitrators shall have at least ten (10) years experience in the subject matter that is the subject of the arbitration. To the extent applicable and consistent with this Article 34, any such arbitrations involving construction and design related issues should be conducted in accordance with the Construction Arbitration Rules then obtaining of the American Arbitration Association or any successor body of similar function.

ARTICLE 35

ADMINISTRATIVE AND JUDICIAL PROCEEDINGS, CONTESTS, ETC.

Section 35.1 Tax Contest Proceedings. Tenant shall have the exclusive right to seek reductions in the valuation of the Premises assessed for real property tax purposes and to prosecute any action or proceeding in connection therewith by appropriate proceedings diligently conducted in good faith, in accordance with the Charter and Administrative Code of the City. If the attribution by the City's Department of Finance provided for in Section 3.35 hereof is not contestable by the standard legal procedures for contesting or seeking reductions in assessment valuation, Tenant shall have the right to contest or dispute with Landlord whether, for the purpose of determining the PILOST due under this Lease, said attribution by the Department of Finance is correct and reasonable in the context of normal assessment practice in New York City, said contest to be resolved by an appropriate court. Tenant shall, during the pendency of such proceeding, comply with the provisions of Section 35.2(b) below.

Section 35.2 Imposition Contest Proceedings. Tenant shall have the right to contest, at its own cost and expense, the amount or validity, in whole or in part, of any Imposition by appropriate proceedings diligently conducted in good faith, in which event, notwithstanding the provisions of Section 4.1 hereof, payment of such Imposition may be postponed if, and only as long as:

(a) neither the Premises nor any part thereof, is, by reason of such postponement or deferment, in danger of being forfeited and if Landlord is not in danger of being subjected to criminal liability or penalty or civil liability or penalty in excess of the amount for which Tenant has furnished security as provided in Section 35.2(b) hereof by reason of nonpayment thereof, and

(b) Tenant has deposited with Depositary cash, bond or other security (which may include, without limitation and at Tenant's election, a guaranty from a creditworthy entity) in the amount so contested and unpaid, together with all interest and penalties in connection therewith and all charges relating to such contested Imposition that are reasonably expected to be assessed against, or become a charge on the Premises or any part thereof in or during the pendency of such proceedings. Such deposit shall be held in an interest-bearing account or in city, state or federal government obligations. The provisions of this subsection (b) shall be deemed waived if a deposit or other security is maintained for the same purpose with a Recognized Mortgagee. Upon the termination of such proceedings, Tenant shall pay the amount of such Imposition or part thereof as finally determined in such proceedings, the payment of which was deferred during the prosecution of such proceedings, together with any costs, fees (including, without limitation, reasonable attorneys' fees and disbursements), interest, penalties or other liabilities in connection therewith, and upon such payment, Depositary shall return to Tenant any amount or other security deposited with it with respect to such imposition, together with the interest, if any, earned thereon. However, if Depositary is so requested by Tenant, Depositary shall disburse said moneys on deposit with it directly to the Person to whom or to which such Imposition is payable and, except as otherwise specifically provided herein, return any balance to Tenant. Except as provided above, if, at any time during the continuance of such proceedings, Landlord, in its reasonable judgment, shall deem insufficient the amount or nature of the security deposited, Tenant, within ten (10) days after Landlord's demand, shall make an additional deposit of such additional sums or other acceptable security as Landlord reasonably may request, and upon failure of Tenant to so do, the amount theretofore deposited, together with the interest, if any, earned thereon, may, after not less than three (3) Business Days, notice to Tenant, be applied by Landlord to the payment, removal and discharge of such Imposition and the interest and penalties in connection therewith and any costs, fees (including, without limitation, reasonable attorneys' fees and disbursements) or other liability accruing in any such proceedings and the balance, if any, remaining thereafter, together with the interest, if any, earned thereon and remaining after application by Landlord as aforesaid, shall be returned to Tenant or to the Person entitled to receive it. If there is a deficiency, Tenant shall pay the deficiency to Landlord or the Person entitled to receive it, within ten (10) days after Landlord's demand. Nothing contained in this subsection shall be deemed to limit Tenant's obligation to make deposits provided for in Article 5 hereof.

Section 35.3 Requirement Contest. Tenant shall have the right to contest the validity of any Requirement or the application thereof. During such contest, compliance with any such contested Requirement may be deferred by Tenant on the condition that, before instituting any such proceeding, Tenant shall furnish Depositary with a surety company bond, cash deposit, letter of credit, guaranty or other security in form and amount reasonably satisfactory to Landlord, securing compliance with the contested Requirement and payment of all interest, penalties, fines, civil liabilities, fees and expenses in connection therewith. Any such proceeding instituted by Tenant shall be commenced promptly after Tenant makes its election to contest such Requirement and shall be prosecuted with diligence to final adjudication, settlement, compliance or other mutually acceptable disposition of the Requirement so contested. The furnishing of any bond, deposit, guaranty or other security notwithstanding, Tenant shall comply with any such Requirement in accordance with the provisions of Section 16.1(a) hereof if the Premises, or any part thereof, are in danger of being forfeited or if Landlord is in danger of being subjected to criminal liability or penalty, or civil liability in excess of the amount for which Tenant shall have furnished security as hereinabove provided by reason of noncompliance therewith. Tenant shall not be required to comply with the provisions of this Section 35.3 for as long as Tenant and any of Tenant's Control Affiliates whose assets are available for the payment of claims against Tenant have a net worth equal to or in excess of $100,000,000.

ARTICLE 36

APPRAISALS

Section 36.1 Procedure for Appraisals. In each instance where this Lease calls for an appraisal, such appraisal shall be conducted as follows:

(a) Landlord shall select an appraiser no more than six (6) months and no less than three (3) months before the date when a reappraisal is called for pursuant to Section 2.23.2(b) hereof. The appraiser so selected shall prepare an appraisal report and value estimate (the value estimate so set forth in the appraisal report shall be the "Landlord's Appraisal"). Tenant shall pay for the costs of all appraisals.

(b) Landlord shall deliver the Landlord's Appraisal and the associated appraisal report to Tenant, and Tenant shall, within thirty (30) days of receipt of Landlord's Appraisal, provide notice to Landlord that Tenant either accepts or rejects the results of the appraisal. If Tenant accepts Landlord's Appraisal, such appraisal shall then become the approved appraisal for the Premises. If Tenant rejects Landlord's Appraisal, Tenant's notice shall also contain an explanation of Tenant's objections to the appraisal and the basis for those objections. Landlord shall have the option, within thirty (30) days of receipt of Tenant's comments, either to reject Tenant's comments or to accept Tenant's comments to Landlord's Appraisal and agree to corresponding adjustments to the appraised value of the Premises. If Landlord accepts Tenant's comments, then Landlord's Appraisal, as adjusted, shall then become the approved appraisal for the Premises. If Landlord rejects Tenant's comments, then Tenant shall have the right to commission its own appraisal at its own expense. The appraiser so selected by Tenant shall

prepare an appraisal report and value estimate (the value estimate so set forth in the appraisal report shall be the "Tenant's Appraisal").

(c) The Tenant shall deliver the Tenant's Appraisal to Landlord, and if the value of the Premises reflected in Tenant's Appraisal is within ten percent (10%) of the value of the Premises reflected in Landlord's Appraisal, the mean of Tenant's Appraisal and Landlord's Appraisal shall then become the approved appraised value of the Premises. However, if the value of the Premises reflected in Tenant's Appraisal is not within ten percent (10%) of the value of the Premises reflected in Landlord's Appraisal, then Landlord shall, within thirty (30) days of receipt of Tenant's Appraisal, provide notice to Tenant that Landlord either accepts or rejects the results of Tenant's Appraisal. If Landlord accepts Tenant's Appraisal, such appraisal shall then become the approved appraisal for the Premises. If Landlord rejects Tenant's Appraisal, Landlord's notice shall also contain an explanation of Landlord's objections to the appraisal and the basis for those objections. Tenant shall have the option either to reject Landlord's comments or to accept Landlord's comments to the appraisal and agree to corresponding adjustments to the appraised value of the Premises. If Tenant accepts Landlord's comments, then Tenant's Appraisal, as adjusted, shall then become the approved appraisal for the Premises. If Tenant rejects Landlord's comments, then a third appraisal of the Premises shall be commissioned by Landlord, which third appraiser shall be appointed by the mutual agreement of the Landlord's appraiser and the Tenant's appraiser. Landlord and Tenant and their respective appraisers shall present to the third appraiser such materials and information as they deem appropriate. The third appraiser shall promptly prepare an appraisal report and value estimate (the value estimate of the third appraiser shall be the "Third Appraisal"). The Third Appraisal shall be not lower than the Tenant's Appraisal and not higher than the Landlord's Appraisal. Tenant shall pay the costs of such third appraiser. Landlord and Tenant agree that, in all cases where a Third Appraisal is commissioned pursuant to this Section 36.1(c), such Third Appraisal shall become the approved appraisal for the Premises. Any dispute over the appraisal method or the selection of an appraiser shall be resolved by arbitration, pursuant to Article 334 of this Agreement.

(d) Any appraiser selected or appointed pursuant to this Article shall be a member of the American Institute of Real Estate Appraisers or MAI (or a successor organization), shall be an appraiser, and shall have at least fifteen (15) years appraising properties in New York City similar to the Premises. All appraisers chosen or appointed pursuant to this Article shall be sworn fairly and impartially to perform their duties as such appraiser.

(e) Tenant shall pay the costs of all appraisals conducted pursuant to this Lease, including those appraisals commissioned by Landlord or EDC, and shall deliver payment to Landlord or EDC within thirty (30) days of demand for such payment.

ARTICLE 37

FINANCIAL REPORTS

Section 37.1 Statement. Effective upon the Scheduled Completion Date, Tenant shall furnish to Landlord, for as long as the City is the owner of the Premises and to the extent that the Administrative Code of the City Section 11-208.1 (or successor thereto) is then in force and effect, income and expense statements of the type required by such code section (or successor thereto) as if Tenant were the "owner" of the Premises as such term is used in said Section 11-208.1, such statements to be submitted within the time periods and to the address provided for in said Section 11-208.1 and shall be submitted notwithstanding that the City holds fee title to the Premises, that the Premises may therefore not be "income-producing property" as that concept is used in Section 11-208.1, or that PILOT rather than real estate taxes are being paid with respect to the Premises.

Section 37.2 Maintenance of Books and Records. Tenant shall keep and maintain (at an office in New York City), complete and accurate books and records of accounts of the operations of the Premises from which Landlord may determine for each Lease Year the items to be shown or set forth on the statements to be delivered to Landlord pursuant to Section 36.1 hereof and shall preserve, for a period of at least six (6) years after the end of each applicable period of time, the records of its operations of the Premises. However, if, at the expiration of such six (6) year period, Landlord is seeking to contest or is contesting any matter relating to such records or any matter to which such records may be relevant, Tenant shall preserve such records until one (1) year after the final adjudication, settlement or other disposition of any such contest. Tenant shall also promptly furnish to Landlord copies of all of Tenant's operating statements and financial reports from time to time furnished to each Recognized Mortgagee.

Section 37.3 Books and Records. Inspection and Audits of Books and Records. Landlord, the Comptroller and/or Landlord's agents or representatives shall have the right from time to time during regular business hours, upon two (2) Business Days notice, to inspect, audit and, at its option, duplicate, at Landlord's expense, all of Tenant's books and records and all other papers and files of Tenant relating to the operation of the Premises or to this Lease for the period for which Tenant is required to maintain its records as provided in Section 37.2. If the Comptroller establishes a policy allowing the City to provide in future leases similar to this Lease for a right to audit that extends less than the six (6) year period provided in Section 37.2 hereof, then such shorter period shall be applicable hereunder, but in no event shall such period be less than one (1) year. Tenant shall produce such books, records, papers and files upon request of Landlord, the Comptroller and/or Landlord's agents or representatives. Subject to applicable law, Landlord and the Comptroller shall hold in confidence, and shall cause Landlord's agents and representatives to hold in confidence, all information obtained from Tenant's books, records, papers and files, except as may be necessary for the enforcement of Landlord's rights under this Lease.

Section 37.4 Survival Clause. The obligations of Tenant under this Article shall survive the Expiration of the Term.

ARTICLE 38

RECORDING OF LEASE

Section 38.1 Tenant to Record. Landlord and Tenant shall promptly execute a memorandum of this Lease and of any amendments hereto and Tenant shall cause such memorandum to be recorded in the office of the Register of the City of New York (New York County) promptly after the execution and delivery of this Lease or any such amendments and shall pay and discharge all costs, fees and taxes in connection therewith. Neither Tenant nor Landlord shall record this Lease under any circumstances.

ARTICLE 39

SUBORDINATION

Section 39.1 No Subordination. Except as otherwise specifically provided herein, Landlord's interest in the Premises and in this Lease, as the same may be modified, amended or supplemented, shall not be subject or subordinate to (a) any Mortgage now or hereafter existing, (b) any other liens or encumbrances hereafter affecting Tenant's interest in this Lease and the leasehold estate created hereby or (c) any Sublease or any mortgages, liens or encumbrances now or hereafter placed on any Subtenant's interest in the Premises. This Lease and the leasehold estate of Tenant created thereby and all rights of Tenant hereunder are and shall be subject to the Title Matters.

ARTICLE 40

NONDISCRIMINATION; INVESTIGATIONS; OTHER TENANT COVENANTS

Section 40.1 Nondiscrimination and Affirmative Action.

(a) Obligations. So long as the City is the owner of the Premises, Tenant shall be bound by the following requirements:

(i) Tenant will not engage in any unlawful discrimination against any employee or job applicant because of race, creed, color, national origin, sex, age, disability, marital status or sexual orientation with respect to all employment decisions including, without limitation, recruitment, hiring, compensation, fringe benefits, leaves, promotion, upgrading, demotion, downgrading, transfer, training and apprenticeship, lay-off and termination and all other terms and conditions of employment;

(ii) Tenant will not engage in any unlawful discrimination in the selection of contractors on the basis of the owner's, partner's or shareholder's race, creed, color, national origin, sex, age, disability, marital status or sexual orientation;

(iii) Tenant will state in all solicitations or advertisements for employees placed by or on behalf of Tenant (A) that all qualified job applicants will receive consideration for employment without unlawful discrimination based on race, creed, color, national origin, sex, age, disability, marital status or sexual orientation, or (B) that Tenant is an equal opportunity employer;

(iv) Tenant will inform its employees in writing that it "treats all employees and job applicants without unlawful discrimination as to race, creed, color, national origin, sex, age, disability, marital status or sexual orientation in all employment decisions, including, without limitation, hiring, compensation, training and apprenticeship, transfer, lay-off and termination and all other terms and conditions of employment," and that "[i]f you feel that you have been unlawfully discriminated against, you may call or write the Division of Labor Services of the Department of Small Business Services, General Counsel's Office, 110 William Street, New York, New York 10038 (212-513-6300)";

(v) Tenant, as "Owner" (as such term is used in AIA Form 201), will include, or cause to be included, the following provisions in every construction contract of one million dollars ($1,000,000.00) or more or subcontract of seven hundred fifty thousand dollars ($750,000.00) or more in such a manner that the provision will be binding upon all contractors and subcontractors, and will cause each contractor or subcontractor engaged in Construction Work to comply with the following provisions:

By signing this contract, contractor agrees that it:

(1) will not engage in any unlawful discrimination against any employee or job applicant because of race, creed, color, national origin, sex, age, disability, marital status or sexual orientation with respect to all employment decisions including, without limitation, recruitment, hiring, compensation, fringe benefits, leaves, promotion, upgrading, demotion, downgrading, transfer, training and apprentice-ship, layoff and termination and all other terms and conditions of employment;

(2) will not engage in any unlawful discrimination in the selection of contractors on the basis of the owner's, partner's or shareholder's race, creed, color, national origin, sex, age, disability, marital status or sexual orientation;

(3) will state in all solicitations or advertisements for employees placed by or on behalf of contractor (A) that all qualified job applicants will receive consideration for employment without unlawful discrimination based on race, creed, color, national origin, sex, age, disability, marital status or sexual orientation, or (B) that contractor is an equal opportunity employer;

(4) will inform its employees in writing that it "treats all employees and job applicants without unlawful discrimination as to race, creed, color, national origin, sex, age, disability, marital status or sexual orientation in all employment decisions, including, without limitation, hiring, compensation, training and apprenticeship, transfer, lay-off and termination and all other terms and conditions of employment," and that "[i]f you feel that you have been unlawfully discriminated against, you may call or write Division of Labor Services of the Department of Small Business Services, General Counsel's Office, 110 William Street, New York, New York 10038 (212-513-6300)".

Promptly upon Landlord's request therefor, Tenant shall provide evidence to Landlord that any such contract or subcontract (or proposed contract or subcontract) contains the required language.

Section 40.2 Generally. Nothing in this Article 3940 shall be construed as an acknowledgement that the Construction of the Building is a "public work" as such term is used in Section 220 of the New York State Labor Law or a "construction project" under Executive Order No. 50, and Tenant's, employment and other obligations under Section 39.1 above are not "public work" or "construction project", nor shall Tenant's, employment and other obligations herein specifically agreed to by Tenant be construed as an acknowledgement of the application of other requirements that may apply, either now or in the future, to "public work" by operation of law, judicial decision, legislation, rules and regulations or otherwise.

Section 40.3 Cooperation by Tenant. Tenant shall cooperate fully and faithfully with any investigation, audit or inquiry conducted by any Governmental Authority that is empowered directly or by designation to compel the attendance of witnesses and to examine witnesses under oath, or conducted by the Inspector General of a Governmental Authority that is a party in interest to the transaction, submitted bid, submitted proposal, contract, lease, permit, or license that is the subject of the investigation, audit or inquiry. If:

(a) any Person who has been advised that his or her statement, and any information from such statement, will not be used against him or her in any subsequent criminal proceeding refuses to testify before a grand jury or other Governmental Authority empowered directly or by designation to compel the attendance of witnesses and to examine witnesses under oath concerning the award of or performance under any transaction, agreement, lease, permit, contract, or license entered into with the City, the State of New York or any political subdivision or public authority thereof, or the Port Authority of New York and New Jersey, or any local development corporation, or any public benefit corporation organized under the laws of the State of New York, or

(b) any Person refuses to testify for a reason other than the assertion of his or her privilege against self-incrimination in an investigation, audit or inquiry conducted by a Governmental Authority empowered directly or by designation to compel the attendance of witnesses and to take testimony under oath, or by the Inspector General of a Governmental Authority that is a party in interest in, and is seeking testimony concerning the award of, or

performance under, any transaction, agreement, lease, permit, contract, or license entered into with the City, the State of New York, or any political subdivision thereof, or any local development corporation within New York City,

then the commissioner or agency head whose agency is a party in interest to the transaction, submitted bid, submitted proposal, contract, lease, permit, or license shall convene a hearing, upon not less than five (5) days written notice to the parties involved, to determine if any penalties should attach for the failure of a person to testify.

Section 40.4 Adjournments of Hearing, Etc. If Tenant or any agent, employee or associate of Tenant requests an adjournment in any proceeding investigating the events surrounding the negotiation and consummation of this Lease of up to thirty (30) days, such adjournment shall be granted. If a further adjournment is sought it must be done by a written request to the agency head or commissioner who convened the hearing, at least three (3) Business Days prior to the scheduled hearing date, setting forth the reasons for the request. If the commissioner or agency head denies the request for an additional adjournment, then Tenant, its agent, employee or associate must appear at the scheduled hearing or commence an action to obtain a court order, pursuant to Article 78 of the Civil Practice Laws and Rules, substantiating a claim that the denial of the adjournment was capricious or arbitrary. If Tenant, its agent, employee or associate fails to appear at the rescheduled hearing or to diligently pursue such judicial relief, as the case may be, then, if in the sole judgment of the commissioner or agency head the failure to appear would have a material adverse effect on the investigation, the commissioner or agency head who convened the hearing may suspend this Lease pending the final determination pursuant to Section 40.6 below without the City incurring any penalty or damages for delay or otherwise; provided, that the right to suspend this Lease shall not be invoked if Tenant shall have discharged or disassociated itself from such agent, employee or associate and said agent, employee or associate is not reemployed either directly or indirectly or otherwise compensated by Tenant.

Section 40.5 Penalties. The penalties which may attach after a final determination by the commissioner or agency head may include but shall not exceed:

(a) The disqualification for a period not to exceed five (5) years from the date of an adverse determination for any Person, or any entity of which such Person was a member at the time the testimony was sought, from submitting bids for, or transacting business with, or entering into or obtaining any contract, lease, permit or license with or from the City, and/or

(b) The cancellation or termination of any and all such existing City contracts, leases, permits or licenses that the refusal to testify concerns and that have not been assigned as permitted under this Lease, nor the proceeds of which pledged, to an unaffiliated and unrelated Recognized Mortgagee for fair value prior to the issuance of the notice scheduling the hearing, without the City incurring any penalty or damages on account of such cancellation or termination. Monies due for goods delivered, work done, rentals or fees accrued prior to the cancellation or termination shall be paid by the City.

Section 40.6 Criteria for Determination. The commissioner or agency head shall consider and address in reaching his or her determination and in assessing an appropriate penalty the factors in subsections (a) and (b) below; he or she may also consider, if relevant and appropriate, the criteria established in subsections (c) and (d) below in addition to any other information which may be relevant and appropriate:

(a) the entity's good faith endeavors or lack thereof to cooperate fully and faithfully with any governmental investigation or audit, including but not limited to the discipline, discharge or disassociation of any Person failing to testify, the production of accurate and complete books and records, and the forthcoming testimony of all other members, agents, assignees or fiduciaries whose testimony is sought;

(b) the relationship of the Person who refused to testify to any entity that is a party to the hearing, including but not limited to whether the Person whose testimony is sought has an ownership interest in the entity and/or the degree of authority and responsibility the Person has within the entity;

(c) the nexus of the testimony sought to the subject entity and its contract, leases, permits or license with the City;

(d) the effect a penalty may have on an unaffiliated and unrelated party or entity that has a significant interest in an entity subject to penalties under Section 40.5 above, provided, that the party or entity has given actual notice to the commissioner or agency head upon the acquisition of the interest, or at the hearing called for in Section 40.3 above gives notice and proves that such interest was previously acquired. Under either circumstance the party or entity must present evidence at the hearing demonstrating the potential adverse impact a penalty will have on such person or entity.

Section 40.7 Solicitation. In addition to, and notwithstanding any other provision of this Lease, the commissioner or other agency head whose agency is a party in interest to this Lease may declare a Default under this Lease in the event Tenant fails to report promptly in writing to the Commissioner of Investigation of the City, any solicitation from Tenant or Principals of Tenant of money, goods, requests or future employment or other benefit or thing of value, which request is made by or on behalf of any employee of the City or other person, firm, corporation or entity for any purpose which may be related to the procurement or obtaining of this Lease by Tenant or affecting the performances of Tenant's obligations under this Lease. Tenant may cure such Default by removing such Principal of Tenant and causing him to divest himself from any interest in this Lease or the Premises.

Section 40.8 Definitions. As used in this Article:

(a) The term "license" or "permit" shall mean a license, permit, franchise or concession not granted as matter of right.

(b) The term "entity" shall mean any firm, partnership, corporation, association or Person that receives moneys, benefits, licenses, leases or permits from or through New York City or otherwise transacts business with New York City.

(c) The term "member" shall mean any Person associated with another Person or entity as a partner, director, officer, principal or employee.

Section 40.9 Employment Reporting and Requirements. Tenant shall comply with the following employment reporting and related requirements:

(a) With regard to each period from July 1 through June 30 (a "Fiscal Year") any part of which falls within the seven (7) year period following the Amendment Commencement Date (such seven (7) year period, the "Reporting Period"), Tenant shall submit to Landlord, for each Fiscal Year, by August 1 following the end of such Fiscal Year, an employment and benefits report (the "Employment and Benefits Report") in the form attached hereto as Exhibit H (with the dates therein updated to reflect the applicable Fiscal Year). Tenant shall include in such Employment and Benefits Report information collected by Tenant from Subtenants.

(b) During the Reporting Period, Tenant shall, in good faith, consider such proposals as the City and/or any City-related entities may make with regard to jobs Tenant may seek to fill in relation to its activities on or concerning the Premises and shall provide the City and such entities with the opportunity to (i) refer candidates who are City residents having the requisite experience for the positions in question, and/or (ii) create a program to train City residents for those jobs (it being understood that Tenant shall not be required to hire any candidate which Tenant, in good faith, considers unqualified for the applicable position).

(c) Each Sublease entered into by Tenant prior to the end of the Reporting Period shall include provisions requiring the Subtenant:

(i) with regard to each Fiscal Year during the Reporting Period, to complete with regard to itself and its sub-subtenants items 1-5, 15 and 16 of the Employment and Benefits Report (with the dates therein updated to reflect the applicable Fiscal Year), to sign such report and to submit it to Tenant before August 1 immediately following such Fiscal Year; and

(ii) in good faith, to consider such proposals as the City and/or City- related entities may make with regard to any jobs such Subtenant may seek to fill in relation to its activities on or concerning the Premises, and to provide the City and such entities with the opportunity to (A) refer candidates who are City residents having the requisite experience for the positions in question, and/or (B) create a program to train City residents for those jobs, and to report to Landlord, upon Landlord's request,

regarding the status of its consideration of such proposals (it being understood that Tenant shall not be required to hire any candidate which Tenant, in good faith, considers unqualified for the applicable position).

(d) Each Sublease shall provide that both Tenant and Landlord and their respective designees shall be beneficiaries of each such agreement by the Subtenant. Tenant shall reserve the right, on behalf of itself and Landlord, and their respective designees, as such third party beneficiaries, to seek specific performance by such Subtenant, at the expense of such Subtenant, of the obligations set forth in this Section 40.9. Tenant's obligations under this Section 40.09 shall be limited to the extent that Tenant receives the relevant information from its Subtenants and in no event shall Tenant be required to issue a notice of default or terminate a Sublease as a result of a Subtenant's failure to provide such information.

(e) Tenant shall retain for six (6) years all forms completed by Tenant and any Subtenants and, at Landlord's request, shall permit Landlord upon reasonable notice, to inspect such forms and provide Landlord copies thereof.

Section 40.10 Tenant Covenants. Tenant covenants and agrees to be bound by the following covenants, which shall be binding for the benefit of Landlord and enforceable by Landlord against Tenant to the fullest extent permitted by law and equity:

(a) Tenant (and any subtenants of the Premises or any part thereof) shall comply with all applicable federal, state, and local laws in effect from time to time prohibiting discrimination or segregation by reason of age, race, creed, religion, sex, color, national origin, ancestry, sexual orientation or affectional preference, disability, or marital status (collectively, "Prohibited Distinctions") in the sale, lease, or occupancy of the Premises.

(b) Tenant shall not effect or execute any sublease of the Premises, or any part thereof, if restricted upon the basis of any Prohibited Distinction.

(c) Tenant (and any subtenants of the Premises or any part thereof) shall include the covenants of (a) and (b) in any sublease of the Premises entered into after the date hereof.

(d) So long as the City or its designee shall be Landlord, Tenant shall comply with the provisions of Executive Order No. 50 (April 25, 1980) as amended, or any successor thereto, as long as such executive or any successor thereto, in whatever form and whenever enacted, is in force, in whole or in part, and the regulations promulgated thereunder and orders of the Director of the Division of Labor Services (subject to any applicable future amendments to Executive Order No. 50), and Tenant shall incorporate the language required thereby in any construction contract related to Construction Work.

(e) In no event shall Tenant be required to issue a notice of default or terminate a Sublease as a result of a Subtenant's failure to comply with the provisions of this Section 40.10.

ARTICLE 41

ADVERTISING AND SIGNAGE

Section 41.1 Advertising and Signage. Any revenue generated by advertising, signage, naming or sponsorship of the Project shall be retained by, and shall be the sole property of, Tenant.

ARTICLE 42

MISCELLANEOUS

Section 42.1 Captions. The captions of this Lease are for the purpose of convenience of reference only, and in no way define, limit or describe the scope or intent of this Lease or in any way affect this Lease.

Section 42.2 Table of Contents. The Table of Contents is for the purpose of convenience of reference only, and is not to be deemed or construed in any way as part of this Lease.

Section 42.3 "Including"; "Herein;" "Shall". The term "including" as used in this Lease, shall be deemed to mean "including, without limitation." The terms "hereby", "hereof, "hereto", "herein", "hereunder" and any similar terms shall refer to this Lease, and "hereafter" shall mean after, and "heretofore" shall mean before, the date of this Lease. Wherever a party hereto "shall" perform (or cause to be performed) any obligations hereunder, such performance shall be at such party's sole cost and expense, unless otherwise expressly provided in this Lease.

Section 42.4 [Intentionally omitted.].

Section 42.5 Reference to Landlord and Tenant. The use herein of the neuter pronoun in any reference to Landlord or Tenant shall be deemed to include any individual Landlord or Tenant, and the use herein of the words "successors and assigns" or "successors or assigns" of Landlord or Tenant shall be deemed to include the heirs, legal representatives and assigns of any individual Landlord or Tenant.

Section 42.6 Relationship of Landlord and Tenant. This Lease is not to be construed to create a partnership or joint venture between the parties, it being the intention of the parties hereto only to create a landlord and tenant relationship.

Section 42.7 Person Acting on Behalf of a Party Hereunder. If more than one Person is named as, or becomes a party hereunder, the other party may require the signatures of all such Persons in connection with any notice to be given or action to be taken hereunder by the party

acting through such Persons. Each Person acting through or named as a party shall be fully liable for all of such party's obligations hereunder, subject to Sections 42.8 and 42.10 hereof. Any notice by a party to any named as the other party shall be sufficient and shall have the same force and effect as though given to all Persons acting through or named as such other party.

Section 42.8 Landlord's Liability. The liability of Landlord hereunder for damages or otherwise shall be limited to Landlord's interest in the Premises, the proceeds of any insurance policies relating to the Premises, any awards payable in connection with any condemnation of the Premises or any part thereof. Neither Landlord nor any of the directors, officers, employees, shareholders, agents or servants of Landlord shall have any liability (personal or otherwise) hereunder beyond Landlord's interest in the Premises and this Lease. No other property or assets of Landlord or any property of the directors, officers, employees, shareholders, agents or servants of Landlord shall be subject to levy, execution or other enforcement procedure for the satisfaction of Tenant's remedies hereunder. Notwithstanding anything herein contained to the contrary, Landlord's interest in the Premises and this Lease shall not be deemed to include (i) any rights, claims or interests of the City that may exist at any time pursuant to any loan document or any note or mortgage to which the City is a party or given to the City in connection with the Premises, (ii) any rights, claims or interests of the City that may arise at any time from, or be a result of, its acting in its governmental capacity, or (iii) any rents, issues or proceeds from, or in connection with, the Premises which have been distributed by the City. The provisions of this Section shall survive the Expiration of the Term.

Section 42.9 Remedies Cumulative. Each right and remedy of any party provided for in this Lease shall be cumulative and shall be in addition to every other right or remedy provided for in this Lease, or now or hereafter existing at law or in equity or by statute or otherwise, and the exercise or beginning of the exercise by any party of any one or more of the rights or remedies provided for in this Lease, or now or hereafter existing at law or in equity or by statute or otherwise shall not preclude the simultaneous or later exercise by any party of any or all other rights or remedies provided for in this Lease or now or hereafter existing at law or in equity or by statute or otherwise.

Section 42.10 Tenant's Liability. Except to the extent of any Rental due under this Lease accruing prior to the date on which Tenant has surrendered possession and control of the Premises in accordance with this Lease, the liability of Tenant hereunder for damages or otherwise shall be limited to Tenant's interest in the Premises, and the proceeds of any insurance policies covering or relating to the Premises and any awards payable in connection with the condemnation of the Premises or any part thereof to the extent actually received by Tenant and fraudulently misapplied by Tenant. Landlord shall not look to any other property or assets of Tenant, if any, or to the property or assets of any of the Affiliates, directors, officers, employees, shareholders, agents or servants of Tenant or of any partners, joint venturers or tenants-in-common comprising Tenant, and no property or assets of any of the aforesaid Persons shall be subject to levy, execution or other enforcement procedure for the satisfaction of Landlord's remedies and Tenant's liabilities hereunder. The provisions of this Section 42.10 shall survive the Expiration of the Term. Following a Transfer of this Lease by Tenant, Tenant shall be released from all obligations and liability in respect of the period following such Transfer; provided, however, if any such Transfer relates to less than all of the Premises, such release shall only apply with respect to that portion of the Premises the subject of the Transfer.

Section 42.11 Merger. There shall be no merger of this Lease or the leasehold estate created hereby with the fee estate in the Premises or any part thereof by reason of the same Person acquiring or holding, directly or indirectly, this Lease and the leasehold estate created hereby or any interest in this Lease or in such leasehold estate as well as the fee estate in the Premises.

Section 42.12 Waiver, Modification, Etc. No covenant, agreement, term or condition of this Lease to be performed or complied with by either party, and no Default thereof by Tenant or Landlord's failure to perform them shall be changed, modified, altered, waived or terminated except by a written instrument of change, modification, alteration, waiver or termination executed by the other party. No waiver of any Default shall affect or alter this Lease, but each and every covenant, agreement, term and condition of this Lease shall continue in full force and effect with respect to any other then existing or subsequent Default thereof.

Section 42.13 Depositary Charges and Fees. Tenant shall pay any and all fees, charges and expenses owing to Depositary in connection with any services rendered by Depositary pursuant to the provisions of this Lease.

Section 42.14 Ownership of Deposited Funds. Subject to application in accordance with the terms of this Lease, all funds held by Depositary pursuant to this Lease, while held by Depositary, shall be and shall be deemed to be the property of Tenant, subject to a perfected security interest therein or Landlord.

Section 42.15 Governing Law. This Lease shall be governed by, and be construed in accordance with, the laws of the State of New York.

Section 42.16 Successors and Assigns. The agreements, terms, covenants and conditions herein shall be binding upon, and inure to the benefit of, Landlord and Tenant and, except as otherwise provided herein, their respective successors and assigns.

Section 42.17 Change in Policy. If at any time subsequent to the Commencement Date, Landlord shall cease to require provisions similar to the provisions of Sections 40.1 or 42.178 hereof in its ground leases with developers, or if such provisions in such other ground leases with Tenant or an Affiliate of Tenant are less restrictive than the provisions of Sections 40.1 or 42.178 hereof, then the provisions of such Section shall be deemed modified to conform to such less restrictive provisions, or if such other ground leases with Tenant or an Affiliate of Tenant omit provisions dealing with the subject matter described in such Section altogether, then such Section shall be deemed terminated and of no further force or effect. Landlord shall promptly notify Tenant of any such deemed modification or termination.

Section 42.18 Indictment.

(a) If any grand jury impaneled by any federal or state court files an indictment with such court charging Tenant or any Principal of Tenant (such indicted Person, the "Indicted Party") with having committed an intentional felony in connection with the Project or any other matter, then Landlord shall convene a hearing (the "Hearing") before a panel of three persons consisting of (i) the City's Deputy Mayor for Economic Development, (ii) the President

of EDC and (iii) the Corporation Counsel of the City, or a duly authorized designee of any of them, or such substitute persons as the City's Mayor may designate (the "Hearing Officers"). Such hearing shall be held upon not less than forty-five (45) days written notice to the Indicted Party and Tenant for the purpose of determining whether it is in the best interest of the City to require the Indicted Party to assign its interest in this Lease or in Tenant, as the case may be. At the Hearing, Tenant and the Indicted Party shall have the opportunity to be represented by counsel and to make a presentation to the Hearing Officers orally and in writing. The Hearing Officers shall consider and address in reaching their determination (x) the nexus of the conduct charged in the indictment to this Lease, (y) the deleterious effect which an Assignment of the Indicted Party's interest in this Lease or in Tenant, as the case may be, would have on the economic development interests of the City which this Lease is intended to promote, and (z) any other relevant matters. The Hearing Officers shall render a decision in writing within twenty (20) days of the last day of the Hearing. If the Hearing Officers decide by a majority vote that it is in the best interest of the City to require an Assignment by the Indicted Party, then Landlord shall notify the Indicted Party and Tenant of the Hearing Officers' decision within five (5) days of the date thereof. The Indicted Party shall assign its interest in this Lease or in Tenant, as the case may be, within six (6) months of the date of the notice of such decision by the Hearing officers to an Assignee Reasonably Satisfactory to Landlord, unless, in the case of an Indicted Party that is a Principal of Tenant, Tenant causes such Indicted Party to cease its involvement with Tenant, by resignation, removal or sale of its interest in Tenant (as applicable), prior to the conclusion of such six (6) month period. The Indicted Party may receive the consideration for such Assignment in installment payments, provided that such consideration shall be for a sum certain (if paid in money) and that following such Assignment the Indicted Party shall have no further interest in the Project or in any profits therefrom.

(b) Any failure of (i) Tenant to cause an Indicted Party that is a Principal of Tenant to cease its involvement with Tenant, (ii) the Indicted Party to assign its interest in this Lease or in Tenant, as the case may be, or (iii) an Assignee Reasonably Satisfactory to Landlord, acting as a trustee (as contemplated below), to assign the Indicted Party's interest in this Lease or in Tenant, as the case may be, following a Conviction within the time and in the manner provided hereunder, shall be deemed to be a Default by Tenant hereunder. Upon the occurrence of such Default, Landlord and the Recognized Mortgagee shall have all of the rights and remedies provided hereunder in the case of a Default by Tenant.

(c) "Assignee Reasonably Satisfactory to Landlord" means any Person (w) who is a Recognized Mortgagee or Recognized Mezzanine Lender or (y) that delivers to Landlord a Required Disclosure Statement without any modifications thereto that are not acceptable to Landlord acting in its sole discretion and is not an Affiliate of the Indicted Party and who is either (A) a Person who is satisfactory to the Recognized Mortgagee and any Recognized Mezzanine Lender, and who is financially capable of performing the Indicted Party's obligations as set forth hereunder or (B) a Person (other than a Person who is, or who is a member of the immediate family (whether by birth or marriage) of, a member, partner, director or officer of the Indicted Party) who is acting in a fiduciary capacity as an independent trustee for the benefit of the Indicted Party for the purpose of actively managing this Lease or the Indicted Party's Interest in Tenant, as the case may be. The trust agreement between the Indicted

Party and the trustee shall be reasonably satisfactory to Landlord, the Recognized Mortgagee and Recognized Mezzanine Lender. The trust agreement shall provide in substance, inter alia, as follows:

(i) If (x) the Indicted Party is found not guilty of the felony for which it is indicted by a court of competent jurisdiction or (y) the felony charges against such Indicted Party are dismissed, then the trustee shall reassign the Indicted Party's interest in Tenant or in this Lease, as the case may be, to the Indicted Party.

(ii) If (x) the Indicted Party is found guilty of the felony for which it is indicted by a court of competent jurisdiction and such verdict is affirmed by the court having ultimate jurisdiction to hear an appeal of such conviction or the period of appeal expires or the Indicted Party waives any right to appeal such determination or (y) the Indicted Party pleads guilty to the felony for which it is indicted (either (x) or (y) above, a "Conviction"), then the trustee shall assign this Lease or the indicted Party's interest in Tenant, as the case may be, within six months Of the date of the Conviction to an Assignee Reasonably Satisfactory to Landlord pursuant to subsection (a) above.

(iii) During the pendency of any such trust, the Indicted Party shall exercise no control over the Project, but may make contributions to the Project and receive distributions therefrom.

(d) This Section 42.18 shall apply only for so long as the City or an agency or instrumentality thereof shall be the owner of the Premises.

Section 42.19 Claims. Any and all claims asserted by or against Landlord arising under this Lease or related hereto shall be heard and determined either in the courts of the United States ("Federal Courts") located in New York City or in the courts of the State of New York ("New York State Courts") located in New York City. To effect this agreement and intent, Landlord and Tenant agree as follows:

(a) If Landlord initiates any action against Tenant in Federal Court or in New York State Court, service of process may be made on Tenant either in person, wherever Tenant may be found, or by registered mail (return receipt requested) addressed to Tenant at its address as set forth in this Agreement, or to such other address as Tenant may provide to Landlord in writing.

(b) With respect to any action between Landlord and Tenant in New York State Court, Tenant hereby expressly waives and relinquishes any rights it might otherwise have (i) to move to dismiss on grounds of forum non conveniens, (ii) to remove to Federal Court outside New York City, and (iii) to move for a change of venue to New York State Court outside New York City.

(c) With respect to any action between Landlord and Tenant in Federal court located in the City, Tenant expressly waives and relinquishes any right it might otherwise have to move to transfer the action to a Federal court outside the City.

(d) If Tenant commences any action against Landlord in a court located other than in the City and State of New York, then, upon request of Landlord, Tenant shall either consent to a transfer of the action to a court of competent jurisdiction located in the City and State of New York or, if the court where the action is initially brought will not or cannot transfer the action, then Tenant shall consent to dismiss such action without prejudice and may thereafter reinstitute the action in a court of competent jurisdiction in New York City.

Section 42.20 FIRPTA Provisions. During the Term, Landlord shall furnish Tenant with certifications substantially in the form of Exhibit K annexed hereto at such time(s) as (a) there is any transfer in interest in Landlord or (b) Landlord transfers by whatsoever means or by operation of law all or any portion of its interest in the Premises. In the event Tenant is at any time (and from time to time) required to pay any withholding or similar tax (regardless of how the same may be characterized) attributable to Landlord's status as a non-resident alien, foreign corporation or other foreign person under applicable laws and regulations, Tenant, notwithstanding anything in this Lease to the contrary, shall be permitted to offset the amount so withheld against payments of Rental payable hereunder.

Section 42.2 Invalidity of Certain Provisions. If any term or provision of this Lease or the application thereof to any Person or circumstances shall, to any extent, be invalid and unenforceable, the remainder of this Lease, and the application of such term or provision to Persons or circumstances other than those as to which it is held invalid and unenforceable, shall not be affected thereby and each term and provision of this Lease shall be valid and enforceable to the fullest extent permitted by law, provided that such invalidity or unenforceability shall not materially affect the transactions contemplated in this Lease.

Section 42.22 Lease Administrator. Tenant understands, acknowledges and agrees that, until Tenant is notified to the contrary by Landlord, Lease Administrator will administer this Lease on behalf of Landlord, and unless and until such notice is received, Tenant agrees to accept from Lease Administrator any notices of default, notices of termination, bills, invoices and any other notices and demands executed and/or delivered by Lease Administrator as having been fully authorized by Landlord and having the same force, effect and validity as if executed and/or delivered by Landlord. Tenant further understands, acknowledges and agrees that AIDC performs property management services for EDC under contract, and that AIDC may perform lease administration functions on behalf of Lease Administrator with respect to this Lease.

Section 42.23 Right to Use Renderings and Photographs.

Notwithstanding any other provisions of this Lease, Lease Administrator may, with the prior written approval of Tenant, use such photographs and artist's renderings of the Project as Tenant shall approve, in its marketing and promotional materials.

Section 42.24 Counterparts. This Lease may be executed simultaneously in two or more counterparts, each of which will be deemed an original and all of which taken together shall constitute but one and the same agreement, and it shall not be necessary in making proof of this Lease to produce or account for more than one such counterpart.

IN WITNESS WHEREOF, Landlord and Tenant have executed this Lease as of the day and year first above written.

LANDLORD:

THE CITY OF NEW YORK

By: /s/ Andrew Schwartz
Name: Andrew Schwartz
Title: Deputy Commissioner, Legal

Approved as to Form:

By: /s/ Authorized Signatory
Acting Corporation Counsel

TENANT:

SOUTH STREET SEAPORT LIMITED PARTNERSHIP

By: _____
Name:
Title:

STATE OF NEW YORK)
: SS.:
COUNTY OF)

On 6/27, 2013, before me, the undersigned, personally appeared Andrew Schwartz personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.



/s/ Jung Choi
Notary Public

STATE OF NEW YORK)
: SS.:
COUNTY OF)

On _____, 20 ___, before me, the undersigned, personally appeared _____ personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

_____
Notary Public

IN WITNESS WHEREOF, Landlord and Tenant have executed this Lease as of the day and year first above written.

LANDLORD:

THE CITY OF NEW YORK

By: _____
Name:
Title:

Approved as to Form:

By: _____
Acting Corporation Counsel

TENANT:

SOUTH STREET SEAPORT LIMITED PARTNERSHIP

By: /s/ Grant Herlitz
Name: Grant Herlitz
Title: President

STATE OF NEW YORK)
: SS.:
COUNTY OF NEW YORK)

On June 26th, 2013, before me, the undersigned, personally appeared Grant Herlitz personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

/s/ Joan Cooney
Notary Public

JOAN COONEY
Notary Public, State of New York
No. 01CO6027373
Qualified in New York County
Term Expires July 6, 2015

FIRST AMENDMENT TO
AMENDED AND RESTATED AGREEMENT OF LEASE

This FIRST AMENDMENT TO AMENDED AND RESTATED AGREEMENT OF LEASE (this "Agreement") is dated as of this 11th day of January, 2017, by and among THE CITY OF NEW YORK (AS SUCCESSOR IN INTEREST TO THE SOUTH STREET SEAPORT CORPORATION), a municipal corporation of the State of New York, having an address at City Hall, New York, New York 10007, as landlord (the "Landlord"), and SOUTH STREET SEAPORT LIMITED PARTNERSHIP (AS SUCCESSOR IN INTEREST TO SEAPORT MARKETPLACE, INC.), having an address at c/o The Howard Hughes Corporation, One Galleria Tower, 13355 Noel Road, 22nd Floor, Dallas, Texas 75240, as tenant (the "Tenant").

RECITALS

1. Landlord and Tenant are parties to an Amended and Restated Agreement of Lease dated as of June 27, 2013 (the "Marketplace Lease") with respect to the South Street Seaport Project as more particularly described therein; and

2. Pursuant to Section 23.9 of the Marketplace Lease, Tenant has the option to lease certain Option Premises, including the Tin Building, from Landlord under the Marketplace Lease and Landlord and Tenant desire to modify the Marketplace Lease to add the Tin Building to the Premises demised under the Marketplace Lease.

3. Landlord and Tenant also desire to modify certain provisions of the Marketplace Lease in order to correct certain discrepancies.

NOW, THEREFORE, in consideration of the foregoing and the covenants of the Parties set forth herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

Section 1. Definitions.

Unless otherwise defined herein, all capitalized terms as used herein shall have the respective meanings given to such terms in the Marketplace Lease.

Section 2. Amendments.

The Marketplace Lease is hereby modified as follows:

(a) The following definitions shall be added to Article 1:

"Landlord Development Rights" means seven and one-half percent (7.5%) of Floor Area Development Rights appurtenant to the Tin Building Area and Pier 17, referenced and calculated in accordance with the attached Exhibit 5 hereto.

"Tenant Development Rights" means ninety-two and one-half percent (92.5%) of Floor Area Development Rights appurtenant to the Tin Building Area and Pier 17, referenced and calculated in accordance with the attached Exhibit 5 hereto.

"Tin Building Area" means that portion of Parcel III of the Premises, including the lands and improvements now or hereafter erected thereon and the adjacent areas which are currently in, or will be added to, the Joint Maintenance Area, all as designated as such on Exhibit 1 annexed hereto.

"Tin Building Scheduled Completion Date" means the date which is the 48th month anniversary of the date of this Agreement, except that, in the event the Tenant sends a Tenant Leasing Notice pursuant to Section 2(b)(iii) of this Agreement, then "Tin Building Scheduled Completion Date" means the date which is the 36th month anniversary of the date of the Tenant Leasing Notice.

"Tin Building Work" means (i) demolition, alterations, improvements and replacements that are to be made by Tenant to the Tin Building and the Tin Building Area and in areas in and around the Tin Building Area and (ii) installation of signage and street furniture in areas in and around the Tin Building Area, all in accordance with Approved Plans and Specifications therefor; provided, however, that for purposes of the Tin Building Scheduled Completion Date only, the Tin Building Work shall not include the fit-out work to be performed in the interior of the Tin Building.

(b) Tin Building Permits and Approvals.

(i) Tenant shall use commercially reasonable efforts to diligently pursue all applicable permits and approvals allowing it to commence the Tin Building Work including, but not limited to, permits and approvals from the New York State Department of Environmental Conservation, New York State Historic Preservation Office, United States Army Corps of Engineers, New York City Landmarks Preservation Commission, New York City Department of Buildings and New York City Department of Small Business Services (collectively, the "Required Permits"). If Tenant has been unable to procure all Required Permits by the date which is two (2) years from the date of this Agreement, then Tenant shall (A) continue to use commercially reasonable efforts to diligently pursue all Required Permits and (B) pay liquidated damages to Landlord, on the first day of the month immediately following such second anniversary, in an amount equal to $20,000, and Tenant shall continue to make monthly payments thereafter, increasing by $5,000 per month, until Tenant has procured all Required Permits, but in no event shall Tenant be required to make such payments to Landlord from and after the date

which is the earlier of (x) the third (3rd) anniversary of the date of this Agreement and (y) the date on which the Required Permits are received.

(ii) If Tenant has not procured the Required Permits by the date which is three (3) years from the date of this Agreement, then Landlord shall have the right, but not the obligation, to recapture the area added to Parcel III by this Agreement (the "Tin Option Area") upon thirty (30) days' prior written notice to Tenant. In the event Landlord elects to recapture the Tin Option Area, then (A) the Base Rent shall be reduced by an amount equal to the Tin Building Rent and (B) Landlord shall have the right, but not the obligation, to use commercially reasonable efforts to secure any necessary permits and approvals for, and construct and complete, that portion of the Tin Building Work that is required for the construction of the pier and/or platform in the Tin Option Area in accordance with the Approved Plans and Specifications for the Tin Building Work (such work being referred to herein as the "Tin Building Platform Work"), using a contractor for such work that is reputable and qualified and experienced in performing the type and scope of work involved in the Tin Building Platform Work. Landlord shall have the right to amend, modify or supplement the Approved Plans and Specifications for the Tin Building Platform Work if necessary to obtain the Required Permits (and in such event Landlord shall consult with Tenant as to any such amendments, modifications or supplements prior to making any changes to the Approved Plans and Specifications) so long as such amendments, modifications or supplements do not affect Tenant's ability to construct the Tin Building and perform the Tin Building Work in accordance with the Approved Plans and Specifications for the Tin Building Work or unless otherwise approved by Tenant in writing in its reasonable discretion. The costs of performing the Tin Building Platform Work shall be borne by Tenant; provided, however, that (x) Landlord shall competitively bid the Tin Building Platform Work to not less than three (3) qualified contractors and (y) in no event shall Tenant be responsible for the costs of Tin Building Platform Work plus any site preparation costs such as demolition and/or cataloguing of the Tin Building in excess of 150% of Tenant's budget therefor set forth in the Tin Building Appraisal (subject to CPI Increase). Tenant shall provide Landlord, within sixty (60) days of the date on which Landlord informs Tenant in writing that Landlord will commence construction of the Tin Building Platform Work, with security (reasonably satisfactory to Landlord) for the payment of such costs. The payment of the costs for the Tin Building Platform Work shall be considered Rental hereunder.

(iii) Upon completion of the Tin Building Platform Work, Landlord shall deliver written notice thereof to Tenant of such occurrence (the "Re-demising Notice"), which such notice shall state that "LANDLORD HAS COMPLETED THE TIN BUILDING PLATFORM WORK IN ACCORDANCE WITH THE APPROVED PLANS AND SPECIFICATIONS AS CONTEMPLATED UNDER THE FIRST AMENDMENT TO THE MARKETPLACE LEASE AND TENANT HAS NINETY (90) DAYS TO RESPOND TO THIS NOTICE". Tenant shall have a period of ninety (90) days from the date of the Re-demising Notice to elect, in its sole discretion, to

lease the Tin Option Area. If, within said ninety (90) day period, Tenant notifies Landlord, in writing, of Tenant's election to lease the Tin Option Area (said notification shall be referred to as the "Tenant Leasing Notice"), then the Marketplace Lease shall be automatically amended in order to demise to Tenant the Tin Option Area on the same terms and conditions as set forth in this Agreement, including the Tin Building Rent and in connection therewith, Landlord shall use good faith efforts to assign to Tenant all guaranties and warranties received by Landlord in connection with the performance of the Tin Building Platform Work. In the event that Tenant elects to lease the Tin Option Area as provided in this subsection (iii), then Tenant shall have eighteen (18) months from the date of the Tenant Leasing Notice in order to commence construction of the Tin Building Work. Tenant's failure to commence construction of the Tin Building Work within the time period provided in this subsection (iii) shall not in any event constitute a Default or Event of Default under the Marketplace Lease and Landlord's remedy therefor shall be the right, but not the obligation, to recapture the Tin Option Area upon thirty (30) days' prior written notice to Tenant, and in such event the Base Rent shall be reduced by an amount equal to the Tin Building Rent. In the event that Tenant fails to timely notify Landlord of its election to lease the Tin Option Area as provided in this subsection (iii) or the Tin Option Area is recaptured as provided in this subsection (iii), then Tenant shall have no further rights with respect to the Tin Option Area.

(iv) Subject to the provisions of subsection (iii) above, Tenant shall commence the Tin Building Work by the date (the "Tin Building Construction Commencement Date") which is thirty (30) days from the date on which the Required Permits are received. Once commenced, Tenant shall perform the Tin Building Work in accordance with the terms, covenants and conditions set forth in Exhibit 2 annexed hereto and, subject to Unavoidable Delays, shall achieve Substantial Completion of the Tin Building Work on or before the Tin Building Scheduled Completion Date; provided, however, that (A) Tenant's failure to comply with the terms of this subsection (iv) shall not in any event constitute a Default or Event of Default under the Marketplace Lease, (B) until the receipt of the Required Permits, Tenant shall have no obligation to commence or complete the Tin Building Work and Landlord shall have no claim under the Tin Building Completion Guaranty, and (C) until the receipt of the Required Permits, Tenant shall be limited in its EB-5 Financing as described in Section 11.2(c) of the Marketplace Lease (as amended hereby).

(v) In the event, and for so long as, Landlord has recaptured the Tin Option Area in accordance with the provisions above, then Exhibit F (Joint Maintenance Area) to the Marketplace Lease shall be deemed restored to the version thereof prior to giving effect to the provisions of Section 2(n) hereof.

(c) The legal description of Parcel I of the Premises set forth in Exhibit A to the Marketplace Lease is hereby deleted in its entirety and substituted therefor is the legal description of Parcel I of the Premises set forth in Exhibit 3 annexed hereto.

(d) The legal description of Parcel III of the Premises set forth in Exhibit A to the Marketplace Lease is hereby deleted in its entirety and substituted therefor is the legal description of Parcel III of the Premises, set forth in Exhibit 3 annexed hereto.

(e) The legal description of Parcel IV of the Premises set forth in Exhibit A to the Marketplace Lease is hereby deleted in its entirety and substituted therefor is the legal description of Parcel IV of the Premises set forth in Exhibit 3 annexed hereto.

(f) The definition of "Additional Rent" is deleted in its entirety and replaced with the following:

"Additional Rent" means any and all sums and payments in addition to Base Rent that this Lease requires Tenant to pay to Landlord (or in the case of Impositions, to any third party), whether or not expressly designated as Additional Rent.

(g) The definition of "Amendment Commencement Date" is deleted in its entirety and replaced with the following:

"Amendment Commencement Date" means July 1, 2013.

(h) The definitions of "Approved Plans and Specifications" and "Plans and Specifications" are respectively deleted in their entirety and replaced with the following:

"Approved Plans and Specifications" means plans and specifications for the Initial Renovation Work, the Tin Building Work or any other Material Alteration, as applicable, approved in accordance with the provisions of this Lease and Article 2 of Exhibit 2 of this Agreement.

"Plans and Specifications" means the plans and specification for the Initial Renovation Work, the Tin Building Work or any other Material Alteration, as applicable.

(i) The definition of "Excess Development Rights is hereby amended in its entirety and substituted therefor in the following definition:

"Excess Development Rights" means those Floor Area Development Rights that are appurtenant to the Land and are in excess of the Floor Area Development Rights utilized by Buildings that are part of the Premises and are or could become available for transfer pursuant to the Zoning Resolution, and

exclusive of any Floor Area Development Rights appurtenant to the Tin Building Area and Pier 17.

(j) The definition of "Initial Renovation Work" is hereby deleted in its entirety and substituted therefor is the following definition:

"Initial Renovation Work" means the construction of the Renovation Project and improvements to other portions of the Premises (including construction of those portions of the Esplanade Project that are to be located within the Premises and furthermore including the replacement of the Original Pier 17 Area as referred to in the definition of Pier 17 and as depicted in the Initial Renovation Designs), exclusive of any fit-out work done by, or on behalf of, a Subtenant.

(k) The term “Pier Improvements” as used throughout the Marketplace Lease is hereby amended to be "Pier 17 Improvements".

(l) The definition of “Pier 17” is deleted in its entirety and replaced with the following:

"Pier 17" means the deck, piles, substructure and other elements of piers and platforms on that portion of the Land described as Parcel III in Exhibit A now existing or hereafter modified, erected, constructed or placed thereon, and the bulkhead adjacent to said pier structure, but excluding the platform piers under the New Market Building, and designated as the "Original Pier 17 Area" and the "Tin Building Pier Area" as shown on Exhibit A-l hereto.

(m) The definition of "Severable Premises" is hereby deleted in its entirety and replaced with the following:

"Severable Premises" means each of the following: (a) each Anchor Premises, (b) the Upland Premises, (c) the Original Pier 17 Area, and (d) the Tin Building Area (but only after Substantial Completion of the Tin Building Work).

(n) Exhibit A-l (Project Premises) and Exhibit F (Joint Maintenance Area) to the Marketplace Lease are hereby deleted and a new Exhibit A-l and Exhibit F, annexed to this Amendment as Exhibit 4, are substituted therefor.

(o) References to the term "Pier Pavilion" in Exhibit E are hereby substituted with the term "Pier 17 Improvements" and the first sentence of paragraph (b) in Exhibit E is hereby deleted and substituted therefor is the following sentence:

Except for rebuilding or restoration after any fire, condemnation or other casualty (covered elsewhere), and subject to the provisions of Section 14.2(a) of the Lease, Tenant shall be responsible for all exterior and interior repairs or maintenance involving the structure, fixtures, decorations or other improvements in the Market Block, Tin Building, Pier 17 Improvements, and those portions of the Museum and Schermerhorn Row Blocks within the Premises.

(p) Section 2.1 of the Marketplace Lease is hereby deleted in its entirety and substituted therefor is the following text:

Section 2.1 Demise of Premise. Landlord, for and in consideration of the Rental to be paid and all of the terms, covenants and agreements hereinafter set forth, to be kept, observed and performed by Tenant, does hereby demise and lease to Tenant and Tenant does hereby hire and take from Landlord, subject to the terms, covenants, conditions (including title conditions), exceptions and reservations hereof, and the Exhibits annexed hereto and made a part hereof:

(a) all those certain plots, pieces and parcels of land (collectively, the "Land"), located in the Borough of Manhattan, City, County and State of New York, as more particularly bounded and described as Parcel I and Parcel III in Exhibit A annexed hereto and made a part hereof, and outlined on a plan of the Project Premises annexed hereto as Exhibit A-l and made a part hereof;

(b) all Buildings now or hereafter erected on the Land;

(c) that certain space in the Buildings located in the Museum Block (which Block is bounded and described as Parcel II in Exhibit A hereto and is referred to herein as the "Museum Block"), and all Equipment now or hereafter located therein, as outlined on the floor plans annexed hereto as Exhibit A-2 and made a part hereof;

(d) that certain space in the Buildings located in the Schermerhorn Block (which Block is bounded and described as Parcel IV in Exhibit A hereto), and all Equipment now or hereafter located therein, as outlined on the floor plans annexed hereto as Exhibit A-3 and made a part hereof;

(all of the foregoing being herein collectively referred to as the "Premises").

TOGETHER WITH the right, privilege and license to use, for commercial purposes, the Commercial Areas, as authorized by Resolution of the Board of Estimate adopted at a meeting held on July 21, 1983 (Calendar No. 14) (the "Demapping Resolution"), a copy of which is annexed hereto as Exhibit C and made a part hereof, subject, however, to the terms, conditions, limitations, reservations, easements and obligations set forth in the Demapping Resolution and in Exhibit C annexed hereto and made a part hereof; and

TOGETHER ALSO WITH all easements, appurtenances and other rights and privileges now or hereafter belonging or appertaining to the above described Land, Buildings and space; and

TOGETHER ALSO WITH the non-exclusive easements, in common with others, for the benefit of Tenant, the Subtenants, the Severance Subtenants and their respective employees, agents, contractors, guests, customers and invitees:

(a) on, over and across the surface of the portion of Marginal street, wharf or place located within the Project Premises, (i) for pedestrian access to the Pier 17 Improvements, (ii) for (1) loading and unloading on and adjacent to the Service Drive and in the loading area located within the Pier 17 Improvements and the Tin Building, and (2) vehicular ingress and egress over the Service Drive and said loading area; (iii) for occasional promotional activities similar to the activities permitted in the Former Streets under Section 8.02 of the Improvement Agreement and in accordance with the First Amended and Restated Declaration dated on or about December 22, 2016 by and among The City of New York and South Street Seaport Limited Partnership (the "Declaration") except in the additional Marginal Street area identified on Exhibit T annexed hereto (it being agreed that in the event of a conflict between the rights afforded under the Marketplace Lease and under the Declaration, Tenant shall be required to comply with the more restrictive document) and (iv) to allow the development and maintenance of a landscaped open space area thereon;

(b) for access, ingress and egress to and from those portions of the Premises that are located in the upper floors of the Buildings or interior

courtyards or other common areas and spaces situate on the Museum Block and the Schermerhorn Block, by means of, among other facilities, doorways, entrances, exits, lobbies, stairways, corridors and elevators within or appurtenant to said Buildings; and for pedestrian and vehicular access to and from the loading dock at the rear of No. 4 Fulton Street over the service drive located on the westerly side of the vacant site at the corner of South Street and Burling Slip, or as the same may be relocated, and through any Building hereafter constructed on said site leading to and from said loading dock; and

(c) on, over and across the surface of the Former Streets for pedestrian access to and from the Project Premises and abutting public streets, subject, nevertheless, to the terms, conditions, limitations, reservations, easements and obligations set forth in the Demapping Resolution and Exhibit C hereto; provided that the Former Streets may be used (i) for the operation, maintenance, repair and replacement and (after consultation with Tenant) the construction and relocation of underground utilities, subways and other such subsurface improvements, and also for access by emergency and service vehicles to the extent necessary, (ii) for access to the elevated portion of the Franklin Delano Roosevelt Drive for necessary repair and maintenance; except that Landlord shall not grant rights in the Former Streets similar to those granted to the Museum under the Museum Lease or to Tenant hereunder, and shall not grant any other rights, permits or licenses (other than underground utility and subway easements and franchises) respecting the use of the surface of the Former Streets, to any other entity or individual unless the Museum and Tenant shall have consented thereto; and

(d) on, over and across those areas of the Project Premises not forming part of the Premises that are included in the Joint Maintenance Area for the purpose performing Tenant's maintenance obligations as provided herein.

TOGETHER ALSO WITH the right to maintain existing encroachments over portions of the Former Streets, or encroachments over Former Streets created by construction of any Buildings in accordance with plans and specifications approved by Landlord, including canopies extending over Former Streets from any part of the Buildings located on the Market Block; and

SUBJECT ALSO TO a non-exclusive easement, in common with others, hereby reserved for the benefit of Landlord, Landlord's tenants

(direct and indirect) and their respective employees, agents, contractors, guests, customers and invitees, for access, ingress and egress to and from those portions of Landlord's Premises that are located in the upper floors of the Buildings or interior courtyards or other common areas and spaces, situate on the Museum Block and the Schermerhorn Block by means of, among other facilities, doorways, entrances, exits, lobbies, stairways, corridors and elevators within or appurtenant to said Buildings;

SUBJECT ALSO TO the Title Matters;

SUBJECT ALSO to a non-exclusive easement, in common with others, hereby reserved for the benefit of Landlord, Landlord's tenants (direct and indirect) and their respective employees, agents, contractors, guests, customers and invitees, for access, ingress and egress to and from the Esplanade Project once the same has been constructed;

TOGETHER ALSO WITH the non-exclusive easements, in common with others, for the benefit of Tenant, the Subtenants, the Severance Subtenants and their respective employees, agents, contractors, guests, customers and invitees on, over and across the service drive immediately surrounding the Tin Building ("Service Drive") as depicted on Exhibit 6 annexed hereto and made a part hereof and otherwise in accordance with the terms of the Declaration;

SUBJECT ALSO to a non-exclusive easement, in common with others, hereby reserved for the benefit of Landlord, Landlord's tenants (direct and indirect) and their respective employees, agents, contractors, guests, customers and invitees, on, over and across the Service Drive as depicted on Exhibit 6 annexed hereto and made a part hereof and otherwise in accordance with the terms of the Declaration;

SUBJECT ALSO to Landlord’s reservation for itself of a right, title and interest in and use, enjoyment and benefit of all Landlord Development Rights, including all rights to develop, enlarge, increase or otherwise create “floor area,” as such term is defined in the Zoning Resolution, and all rights to transfer, convey, assign, lease, mortgage or encumber such development rights. Tenant hereby waives any right it may have to the status of a “party in interest,” as such term is defined or treated in the Zoning Resolution, and to participate or consent to any transfer of any portion of the Landlord Development Rights pursuant to the Zoning Resolution, and hereby agrees, upon Landlord’s request, to expeditiously

execute and deliver to the Landlord any document or instrument providing for or effectuating such waiver. Nothing in this Lease shall abrogate or diminish Landlord's rights as a "party in interest" under the Zoning Resolution; and

EXCEPTING ALSO from the Premises hereby demised and the appurtenances, rights, and privileges now or hereafter belonging or appertaining thereto (i) all oil, gas, gold, silver and all other mineral rights under, through or upon the Premises or its appurtenances, (ii) the right to explore for the same or to grant to others leases, licenses or other rights thereto, and (iii) all issues, profits, royalties, fees or compensation of any kind derived from any of the foregoing.

(q) Section 3.2 is hereby deleted in its entirety and substituted therefor is the following text:

(a) Base Rent Payments.

(i) Commencing on July 1, 2013 (the "Amendment Commencement Date") and thereafter throughout the Term, Tenant shall pay Landlord annual rent in the amount of $1,200,000, which shall include annual rent in the amount of $0.00 for the Tin Building Area (the "Tin Building Rent"), increased on each anniversary of the Amendment Commencement Date by 3%, compounded annually (subject to adjustment as provided in paragraph (ii) and subsection (b) below, "Base Rent"), in equal monthly installments, payable in advance on the first day of the month for which such monthly installment of Base Rent is due.

(ii) No later than 30 days after the date on which Final Completion of the Tin Building Work shall have occurred and Tenant shall have closed- out all Construction Contracts relating thereto, Tenant shall submit to Landlord the information, reasonably satisfactory to Landlord in form and substance, that will be necessary to update the appraisal performed by Landauer Valuation & Advisory Group (the "Tin Building Appraisal"). Said update, to be performed by Landauer Valuation & Advisory Group or such other appraiser as shall be reasonably acceptable to Landlord and Tenant, will be limited solely to a determination of whether, and by how much, the Tin Building Rent, as determined based on the Tin Building Appraisal, should be adjusted solely as a result of a review of the actual hard and soft costs of performing the Tin Building Work (which for these purposes shall include fit-out work performed in the interior of the Tin Building as well as any unexpended budget amounts for tenant improvement work and allowances and leasing commissions which Tenant has contractually committed to expend) as compared to the estimated hard

and soft costs of performing such work which were the basis of the Tin Building Appraisal and the original determination of the Tin Building Rent. Upon completion of such appraisal update, (x) the Tin Building Rent shall thereafter be deemed to be the rent determined as a result of the aforementioned appraisal update (provided that in no event shall the amount of Tin Building Rent be less than zero), (y) any amounts previously paid by Tenant on account of Tin Building Rent which were in excess of the amount of Tin Building Rent which is established as a result of such appraisal update shall be credited against future payments of Tin Building Rent by Tenant, and (z) any shortfall in the payment of Tin Building Rent actually paid by Tenant during the period prior to the completion of such review shall be paid to Landlord within thirty (30) days of the completion of such review.

(b) Reappraisals. The Base Rent shall be adjusted, effective on the thirty-fifth (35th) anniversary of the Amendment Commencement Date (the "Rent Adjustment Date") to reflect an appraisal of the Premises to be conducted no more than six (6) months prior to the Rent Adjustment Date so that the amount of Base Rent payable by Tenant as of the Rent Adjustment Date shall be the higher of (i) the Base Rent amount payable in accordance with subsection (a) above immediately preceding the Rent Adjustment Date and (ii) the fair market rent determined by multiplying the land value set forth in said appraisal by six percent (6%). Land value, for the purposes of this paragraph, shall be determined by an appraisal of the fee interest in the Land, considered as unimproved and as unencumbered by this Lease, but taking into consideration (i) the restrictions on use imposed on Tenant in this Lease, (ii) the Tenant's obligation to pay the Esplanade Payments, (iii) the Tenant's maintenance obligations as set forth in Article 14, (iv) any Tenant Development Rights that may be utilized by Tenant pursuant to the provisions of this Lease (taking into consideration all limitations on the use of such Tenant Development Rights) and (v) Landlord's obligations set forth in Section 4.4 regarding Taxes. The scope of said appraisal shall be prepared by Lease Administrator in accordance with its policies and reviewed and approved by Tenant, in its reasonable discretion. Such appraisal shall be conducted in the manner provided in Article 36 hereof. Following a readjustment of the Base Rent as provided in this subsection, the Base Rent shall continue to escalate annually at the rate of 3%, compounded annually on each anniversary of this Lease.

(r) Section 7.1(a) is hereby amended by deleting subsection (i) thereof and replacing it with the following text:

(i) Commercial General Liability Insurance. Commercial general liability insurance written on Insurance Services Office ("ISO") coverage form CG0001 or its equivalent with respect to the operations under this Lease, in an amount of not less than ten million dollars ($10,000,000) per occurrence and (subject to Section 7.6 hereof) eleven million dollars ($11,000,000) annual per location aggregate, designating Tenant as named insured and Landlord, AIDC and Lease Administrator as additional insureds on a primary and non-contributory basis. Such insurance shall meet all of the standards, limits, minimums and requirements described in Section 7.7 hereof.

(s) Section 10.8 is hereby deleted and replaced with the following:

Section 10.8 Severance Leases. At any time after (i) Substantial Completion of both the Initial Renovation Work and the Tin Building Work and (ii) repayment and delivery of reasonable evidence of satisfaction of any EB-5 Financing (unless otherwise approved by Landlord in its sole discretion), this Lease shall be modified at Tenant's request by subtracting from the Premises a Severable Premises, in each case upon Landlord's reasonable consent and subject to the provisions of this Section 10.8 (a "Severance").

(a) A Severance shall not become effective until a lease for a Severable Premises (the "Severance Lease") has been executed.

(b) The Severance Lease shall apportion Rental (including the Esplanade Payment) between the Severance Lease and this Lease on the basis of the fair market rental value of the premises under the Severance Lease in relation to the fair market rental value of the Premises, as such values are set forth in an appraisal to be conducted no more than six (6) months prior to Severance. The scope of said appraisal shall be prepared by Lease Administrator in accordance with its policies and reviewed and approved by Tenant, in its reasonable discretion. Such appraisal shall be. conducted in the manner provided in Article 36 hereof.

(c) No Severance shall occur until Tenant shall have provided Landlord with evidence, reasonably satisfactory to Landlord, that either (i) Tenant, (ii) an Affiliate of Tenant, or (iii) an entity with no less than seven (7) years' experience in fulfilling management and maintenance obligations of the same type as Tenant's

obligations pursuant to Article 14 of this Lease (including, without limitation, Tenant's obligations with respect to the Joint Maintenance Area), will be responsible for the performance of such obligations throughout the term of the Lease and the Severance Lease.

(d) No Severance shall occur unless all applicable Severance documents provide that the Maintenance Tenant (as hereinafter defined) shall be responsible for fulfilling all management and maintenance obligations of the same type as Tenant's obligations pursuant to Article 14 of this Lease (including, without limitation, Tenant's obligations with respect to the Joint Maintenance Area) throughout the Project Premises, regardless of the existence of any other Severance Subtenant. Upon the termination of any Severance Lease, (x) Landlord shall have no obligations with regard to maintenance of any portion of the Project Premises except for any maintenance obligations of the same type as Landlord's obligations pursuant to Section 14.2 of this Lease, and (y) Landlord shall diligently act to re-let the premises that had been demised under such terminated Severance Lease and cause the lessee for such premises to assume its proportional obligations of the foregoing maintenance obligations. For the purposes hereof, "Maintenance Tenant" shall mean a Severance Subtenant that, (i) as reasonably determined by Landlord, possesses the financial capacity, creditworthiness and experience to perform management and maintenance obligations of the same type as Tenant's obligations pursuant to Article 14 of this Lease and (ii) has provided security, reasonably satisfactory in form and substance to Landlord, guaranteeing its performance of said management and maintenance obligations.

(e) If this Lease shall expire or otherwise terminate, the same shall not result in the expiration or termination of, or otherwise affect the Severance Lease(s). The expiration or other termination of the Severance Lease(s) shall not result in the expiration or termination of, or otherwise affect, this Lease.

(f) In the event that Tenant elects to create a Severance Lease, Landlord will reasonably cooperate with Tenant to implement such Severance Lease including, without limitation, by executing any necessary reciprocal easement and operating agreements and a recognition and subordination agreement in favor of the Person subleasing the space pursuant to such Severance Lease.

(t) The following Section 12.11 is hereby added to Article 12:

Section 12.11. Payment Guaranty.

(a) Upon the execution by Tenant of each Construction Contract from and after December 22, 2016 with a price of $250,000 or more (or any other amount set forth in Section 5 of the New York State Lien Law, as it may be amended ("LL5")), Tenant shall deliver, or cause to be delivered, to Landlord an executed Payment Guaranty, substantially in the form attached as Exhibit S hereof (the "Payment Guaranty") executed by (i) with respect to Construction Contracts for the Tin Building Work, the Howard Hughes Corporation and (ii) with respect to any other Construction Contracts, any guarantor (including a construction manager or general contractor) reasonably acceptable to Landlord, for the benefit of each subcontractor which is engaged by the counterparty to such Construction Contract, and Tenant shall cause such Payment Guaranty to be filed with the county clerk of New York County promptly after execution.

(b) Each Construction Contract entered into by Tenant with a price in excess of the statutory amounts set forth in LL 5 shall make reference to the applicable Payment Guaranty. Tenant shall require (a) that any subcontract entered into by a Contractor that is a party to each such Construction Contract attach and make reference to the Payment Guaranty and state that such Payment Guaranty is an "undertaking guaranteeing prompt payment of moneys due" in fulfillment of the requirements of LL 5, and (b) such Contractor to provide written notice to any subcontractor, mechanic, laborer, vendor or materialman performing work at or on the Premises of the Payment Guaranty, and such written notice shall state that such Payment Guaranty is an "undertaking guaranteeing prompt payment of moneys due" in fulfillment of the requirements of LL 5.

(c) The requirements of subsections (a) and (b) above shall not apply if Tenant elects to furnish, or cause to be furnished to, Landlord, solely for the benefit of each subcontractor engaged by the counterparty to the Construction Contract only and not as security under the Lease, with a payment bond, reasonably satisfactory to Landlord in form and substance and issued by a surety company licensed or authorized to do business in New York State that is approved by the Comptroller, in an amount equal to 100% of the aggregate costs and expenses of the Construction Contract being bonded (which such bond may provide, by its terms, that the amount bonded thereunder be reduced by the amount of any payments made by Tenant to such subcontractor).

(d) If prior to the Substantial Completion Date of the applicable Construction Work, the Payment Guaranty (or, as applicable, the payment bond) is canceled or otherwise ceases to be in full force and effect (other than pursuant to its terms), then, within 30 days after notice from Landlord to Tenant of the foregoing, Tenant shall provide a replacement guaranty or bond or other comparable security fulfilling the requirements of LL 5, as determined by Landlord in its sole discretion.

(u) Section 15.3(d) is hereby amended by deleting the term "$25,000,0000" and replacing it with the term "$5,000,000."

(v) The following paragraph (b) is hereby added to Section 16.1:

(b) Tenant hereby acknowledges that neither Tenant nor any of its subtenants or contractees is authorized to act on behalf of Landlord or to hold itself out as having such authority. Without limiting the generality of the provisions of this Section 16.1, in the event that a permit or approval from Governmental Authorities is required pursuant to any Requirements with respect to (i) activities to be conducted in the Commercial Areas or on the Former Streets or (ii) Tenant executing, or Tenant affirmatively allowing a subtenant or contractee to execute, any documentation requiring Landlord approval without obtaining Landlord's prior written approval, then Tenant shall comply with Landlord's procedures with regard to permit and approval submissions, as they may be modified from time to time as agreed between Landlord and Tenant provided Landlord delivers Tenant prior written notice thereof and such modifications apply to all parties similarly situated to Tenant in a uniform manner (the "Submission Procedures"). Tenant shall have the right to contest or dispute the applicability of the Submission Procedures to any particular set of circumstances or the receipt of any Submission Default Notice, and any contest or dispute shall be resolved by arbitration in accordance with the provisions of the Lease. Tenant acknowledges that Tenant's failure to comply with the Submission Procedures (including Tenant asserting in writing that it has authority to act on behalf of Landlord or Tenant affirmatively allowing a subtenant or contractee to take any action which is in violation of the Submission Procedures) (a "Submission Failure") will cause loss and damage to Landlord, the precise extent of which is difficult to ascertain and, therefore, Landlord and Tenant desire to provide fair and reasonable compensation to Landlord for such losses, which compensation shall not be construed as a penalty. It is therefore agreed that if Tenant commits a Submission Failure, then there

shall accrue to Landlord liquidated damages as follows (the "Submission Liquidated Damages"):

(i) If at any time during the Term Tenant commits a Submission Failure, Landlord shall notify Tenant in writing of such Default (each such notice shall be referred to herein as a "Submission Non-Compliance Notice"). Upon receiving the second Submission Non-Compliance Notice, Tenant shall pay Landlord $5,000.00. Upon receiving the third Submission Non-Compliance Notice, Tenant shall pay Landlord $7,500.00. Upon receiving the fourth Submission Non-Compliance Notice, Tenant shall pay Landlord $10,000.00. Upon receiving the fifth Submission Non-Compliance Notice, Tenant shall pay Landlord $15,000.00. Upon receiving the sixth Submission Non-Compliance Notice, Tenant shall pay Landlord $30,000.00. Upon receiving the seventh Submission Non-Compliance Notice, Tenant shall pay Landlord $50,000.00. Upon receiving the eighth Submission Non-Compliance Notice, Tenant shall pay Landlord $75,000.00. Subject to subsection (ii) below, Tenant shall pay $75,000.00 upon receiving any subsequent Submission Non-Compliance Notice.

(ii) If no Submission Non-Compliance Notice is issued by Landlord for a period of nine calendar months after the date of any Submission Non-Compliance Notice (the "Performance Period"), then any Submission Non-Compliance Notice sent by Landlord after the completion of the Performance Period shall be deemed to be the first Submission Non-Compliance Notice, provided that Tenant has paid all Submission Liquidated Damages previously incurred./

(iii) Commencing January 1, 2027, Submission Liquidated Damages amounts shall be increased annually to an amount equal to the product obtained by multiplying the amount of Submission Liquidated Damages in the immediately preceding Lease Year by the sum of one and the CPI Increase. All Submission Liquidated Damages payable shall constitute Rental hereunder. In no event shall a Submission Failure constitute a default under the Lease for so long as Tenant is paying Submission Liquidated Damages when due.

(w) The following Section 17.4 is hereby added to Article 17:

Section 17.4 Satisfaction of Claims.

If any Contractor, subcontractor, mechanic, laborer, vendor or materialman provides written notice to Tenant and Contractor of a claim for amounts owed in connection with any work performed on or at the Premises, Tenant shall, within one hundred and twenty (120) days after

Tenant receives notice of such claim, either commence an action disputing or contesting such claim or settle such claim, to the satisfaction of Landlord (other than for any settlement and release in full) in its reasonable discretion, provided, however, that with respect to any claim which is in excess of $250,000, as a condition to disputing or contesting such claim, Tenant shall (i) furnish Landlord with a bond or another form of security reasonably satisfactory to Landlord, in an amount sufficient to satisfy such claim with interest and penalties, if any and (ii) use commercially reasonable efforts to prosecute such dispute or contest at its sole cost and expense, to the satisfaction of Landlord (other than for any settlement and release in full) in its reasonable discretion.

(x) Section 23.2(c) is amended by deleting it in its entirety and replacing it with the following:

Tenant shall continuously, uninterruptedly, actively and diligently operate a specialty retail marketplace seven days per week, at least nine hours per day on Mondays through Saturdays and six hours on Sundays, and shall require substantially all Subtenants to operate and conduct their respective businesses on all such days and for such hours, except when Tenant and/or any Subtenants shall be prevented from doing so by strike, fire, other casualty or other cause beyond the reasonable control of Tenant and/or any such Subtenants, and except on the following holidays: New Year's Day; first and second days of Passover; Good Friday; Easter Sunday; Rosh Hashanah; Yom Kippur; Thanksgiving Day; and Christmas Day. Landlord and/or Tenant shall also make available to the general public, at least during the hours set forth above (but consistent with reasonable maintenance and security requirements of Landlord, Tenant and the Subtenants) and free of charge or admission all public circulation and seating areas of Pier 17 and identified as the "Waterfront Public Access Areas' and "Public Access Areas" on Exhibit U attached hereto, subject to all applicable land use approvals, including, without limitation, the Declaration, and throughout other portions of the Premises, and in all events excluding those roof areas of the Pier 17 Improvements that may be closed for private use pursuant to the applicable land use approvals, including, without limitation, the Declaration and for which Tenant may charge members of the public to access. Tenant shall obtain Landlord's prior written consent to any material modification of Requirements of the City Planning Commission or any other public approval with respect to the Premises.

(y) The references to "Pier 17" in Section 23.3(a) shall be deemed to be a reference only to the Original Pier 17 Area as described in the definition thereof.

(z) Section 23.5(a) is hereby amended in its entirety as follows:

Titanic Park shall be maintained by Tenant (excluding capital improvements) as a portion of the Joint Maintenance Area, as landscaped open space, with adequate seating facilities, accessible to the general public at all times without charge or admission.

(aa) Section 23.9(c) is hereby amended by deleting subsection (iii) thereof and replacing it with the following text:

(iii) The term "Option Premises II" shall mean, collectively, the following portions of Landlord's Premises: (x) space located above the second story of Buildings on the Museum Block and (y) all portions of Schermerhorn Block other than the space referred to in clause (ii)(y) above.

(bb) The following paragraph (r) is hereby added to Section 24.1:

(r) if prior to the Tin Building Scheduled Completion Date the Tin Building Completion Guaranty is canceled or otherwise ceases to be in full force and effect (other than pursuant to its terms), and a replacement guaranty or other comparable security acceptable to Landlord (solely with respect to financial responsibility of the replacement guarantor) is not provided within 30 days after notice to Tenant of the foregoing;

(cc) The proviso in Section 11.2(c) is hereby deleted in its entirety and substituted therefor is the following text:

; provided, however, that Landlord shall not have the right to consent to, or impose any conditions upon, any EB-5 Financing if at the time of the origination of the EB-5 Financing, (i) such EB-5 Financing is subordinate to another Mortgage or Mortgages held by a Recognized Mortgagee that does not constitute an EB-5 Financing, provided such senior Mortgage or Mortgages secure loans in an aggregate fully drawn maximum original principal amount of not less than $50,000,000, (ii) such EB-5 Financing shall not evidence indebtedness in excess of $50,000,000 (provided, however, that from and after the occurrence of the Tin Building Construction Commencement Date, such amount shall be increased to $200,000,000), and (iii) the documents evidencing and securing the EB-5 Financing provide that if the EB-5 Lender acquires Tenant’s interest in the Lease or in Tenant, as applicable, then (x) if such acquisition occurs prior to Substantial Completion of the Renovation Project and the Tin Building Work, such EB-5

Lender shall, prior to or simultaneously with such acquisition, retain a developer reasonably experienced in development projects of a scale and complexity similar to that of the Renovation Project and the Tin Building Work, to complete such work, or (y) if such acquisition occurs after Substantial Completion of the Renovation Project and the Tin Building Work, such EB-5 Lender shall, prior to such acquisition, either (A) hire and maintain a Qualified Manager; or (B) continue to employ as of the effective date of the acquisition the Qualified Manager employed at the Premises immediately prior to the acquisition or such other personnel in such capacities as are reasonably acceptable to Landlord. Notwithstanding the foregoing, Tenant shall not be entitled to enter into any EB-5 Financing transaction after a Severance has taken effect.

(dd) Section 40.9(a) is hereby amended by deleting the reference to “Exhibit H” and replacing such text with a reference to "Exhibit N" which is hereby entitled "Employment and Benefits Report".

(ee) The internal section references in the Marketplace Lease identified and set forth in columns A and B of Schedule A annexed hereto (the “Incorrect References”), each of which is incorrect, are hereby amended by deleting the Incorrect References and substituting in lieu thereof, in each case, the corresponding section reference set forth in column C of Schedule A (the “Corrected References”).

Section 3. Miscellaneous.

(a) Neither this Amendment nor any provision hereof may be changed or canceled except by agreement in writing signed by the party (acting by a duly authorized partner or officer thereof if the party is a partnership or corporation) against whom any purported change is sought to be enforced.

(b) This Amendment shall be governed by, and construed in accordance with, the laws of the State of New York.

(c) The captions in this Amendment are inserted for convenience of reference only and in no way define, describe or limit the scope or intent of this Amendment or any of the provisions hereof.

(d) This Amendment shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and permitted assigns.

(e) Each of the signatories below represents that it has authority to sign on behalf of the party for which it signed and has the power to bind such party.

IN WITNESS WHEREOF, the parties hereto have executed this Amendment as of the date first above written.

THE CITY OF NEW YORK

By: /s/ Gregg Bishop
Name: Gregg Bishop
Title: Commissioner

Approved as to form:

/s/ Authorized Signatory
Acting Corporation Counsel

SOUTH STREET SEAPORT LIMITED PARTNERSHIP

By: _____
Name:
Title:

Attest:

/s/ Michael McSweeney
City Clerk

STATE OF NEW YORK)
: SS.:
COUNTY OF NEW YORK)

On January 11, 2017, before me, the undersigned, personally appeared Gregg Bishop personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

/s/ Daryll. Williams
Notary Public

DARYL L. WILLIAMS
Commissioner of Deeds
City of New York No. 4-5304
Certificate Filed in New York County
Commission Expires ~~Nov. 20, 20__~~ April 1, 2018

STATE OF NEW YORK)
: SS.:
COUNTY OF NEW YORK)

On January __, 2017, before me, the undersigned, personally appeared _____ personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

_____
Notary Public

STATE OF NEW YORK)
: SS.:
COUNTY OF NEW YORK)

On January 11, 2017, before me, the undersigned, personally appeared Michael McSweeney personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

/s/ Wendy Irizarry-Lopez
Notary Public

Wendy Irizarry-Lopez
Commissioner of Deeds
City of New York No. 2-12331
Certificate Filed in New York County
Commission Expires: 1/1/2018

IN WITNESS WHEREOF, the parties hereto have executed this Amendment as of the date first above written.

THE CITY OF NEW YORK

By: _____
Name:
Title:

Approved as to form:

_____
Acting Corporation Counsel

SOUTH STREET SEAPORT LIMITED PARTNERSHIP

By: /s/ Grant Herlitz
Name: Grant Herlitz
Title: President

Attest:

_____
City Clerk

STATE OF ~~NEW YORK~~ Texas)
: SS.:
COUNTY OF ~~NEW YORK~~ Dallas)

On January 4th, 2017, before me, the undersigned, personally appeared Grant Herlitz personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

/s/ Marissa Henderson
Notary Public



SECOND AMENDMENT TO
AMENDED AND RESTATED AGREEMENT OF LEASE

This SECOND AMENDMENT TO AMENDED AND RESTATED AGREEMENT OF LEASE (this "Second Amendment") is dated as of this 3 day of October, 2017, by and among THE CITY OF NEW YORK (AS SUCCESSOR IN INTEREST TO THE SOUTH STREET SEAPORT CORPORATION), a municipal corporation of the State of New York, having an address at City Hall, New York, New York 10007, as landlord (the "Landlord"), and SOUTH STREET SEAPORT LIMITED PARTNERSHIP (AS SUCCESSOR IN INTEREST TO SEAPORT MARKETPLACE, INC.), having an address at c/o The Howard Hughes Corporation, One Galleria Tower, 13355 Noel Road, 22nd Floor, Dallas, Texas 75240, as tenant (the "Tenant").

RECITALS

1. Landlord and Tenant are parties to an Amended and Restated Agreement of Lease dated as of June 27, 2013 (the "Original Lease") with respect to the South Street Seaport Project as more particularly described therein, as amended by that certain First Amendment to Amended and Restated Agreement of Lease dated January 11, 2017 (the "First Amendment", and the Original Lease as amended by the First Amendment, the "Marketplace Lease").

2. Landlord and Tenant desire to amend certain provisions of the Marketplace Lease with respect to the Office and Broadcast Studio Premises (as defined herein), the Studio Space (as hereinafter defined), the John Street Lot, and the Option Premises.

3. In exchange for Landlord's agreement to amend the Marketplace Lease as described herein, Tenant has made certain agreements with respect to the renovation of certain property located in the Museum Block pursuant to a letter agreement dated hereof between Lease Administrator and Tenant.

NOW, THEREFORE, in consideration of the foregoing and the covenants of the Parties set forth herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

Section 1. Definitions.

(a) Unless otherwise defined herein, all capitalized terms as used herein shall have the respective meanings given to such terms in the Marketplace Lease.

(b) The definitions of "Option Premises I" and "Option Premises II" are deleted in their entirety from Article 1 of the Original Lease.

(c) The definition of "Option Premises" is deleted in its entirety, and substituted therefor is the following text: " "Option Premises" has the meaning provided in Section 23.9(b) hereof."

Section 2. Amendments.

(a) Section 10.2(d)(vi) of the Marketplace Lease is hereby deleted in its entirety and substituted therefor is the following text:

"Section 10.2(d)(vi) "Permitted and Qualified Transferee" shall mean a Person who, at the time of a Transfer, (A) (1) together with any Affiliates has an

aggregate net worth of at least $250,000,000 (increased annually after the date hereof at the rate of 3%) or (2) a long-term unsecured debt rating of "BB+" (or its equivalent) or better from a nationally recognized credit rating agency, (B) either (1) directly or through its Control Affiliates, owns and/or manages, and (i) has not less than seven (7) years' experience in the ownership and/or management of at least 1,500,000 square feet of retail space or (2) retains a Qualified Manager, (C) is of sufficient financial condition to perform the obligations to be assumed by such proposed Assignee, Landlord having been furnished with evidence reasonably satisfactory to Landlord of such financial condition; provided, however, that if the proposed Transferee complies with clause (A)(1) or (A)(2) above, it shall be deemed to satisfy this requirement; and (D) is not an Unqualified Person. Notwithstanding the forgoing, in the event of a Transfer of only Pier 17 or a portion thereof that includes the third and fourth floor areas indicated on Exhibit P, a Permitted or Qualified Transferee shall, in addition to the above requirements, have not less than seven (7) years' experience in the ownership and/or management of at least 750,000 square feet of office and broadcast studio space or retains an entity which satisfies the foregoing requirements."

(b) Section 23.2(a) of the Marketplace Lease is hereby deleted in its entirety and substituted therefor is the following text:

" (a) In recognition of the historic and cultural importance of the South Street Seaport and in fulfillment of the public purposes to which the development of the Project Premises is dedicated, throughout the Term, Tenant shall cause the Premises to be (i) maintained and continuously operated as a first-class, specialty retail marketplace including, without limitation, for the operation of a performance and entertainment venue or a cinema or movie theater facility, in accordance with the provisions of this Article, and in a manner at least equal to the current standards of operation of Faneuil Hall Marketplace in Boston and Harborplace in Baltimore; and (ii) used incidentally to the purposes permitted by clause (i) above to provide supporting clerical, administrative and executive offices (but not in excess of 10,000 square feet of Gross Leasable Area and only on the second or higher floor) therefor (the "Limited Office Use Area"); provided, however, from the date of this Second Amendment, the third and fourth floor areas indicated on Exhibit P as well as up to 2,000 square feet of Gross Leasable Area on the ground floor in order to provide access to the third and fourth floors (the "Office and Broadcast Studio Premises") may be used by Tenant or any Subtenant as general executive and administrative office space or broadcast studio space and the area used as such shall not be counted as part of the Limited Office Use Area."

(c) The following text shall be inserted immediately following the first sentence of Section 23.2(c):

"To the extent that any portion(s) of the Office and Broadcast Studio Premises is (are) used as general executive and administrative office space or broadcast studio space, Tenant shall continuously, uninterruptedly, actively and

diligently lease and manage such portion(s) in a manner consistent with a first-class office building or broadcast studio respectively."

(d) The following text is hereby deleted from Section 23.6 of the Marketplace Lease:

", subject, however, to the provisions of subsection (d) of Section 23. 9 hereof"

(e) Section 23.9 of the Marketplace Lease is hereby deleted in its entirety and substituted therefor is the following text:

"Section 23.9 Option Premises.

(a) If at any time:

(i) any part of the Option Premises shall be or become vacant and shall not be relet for a period of six (6) months after the date that such space becomes vacant; or

(ii) any part of the Option Premises shall be operated in nonconformity with the terms of this Article 23, or with respect to the Museum Premises, in nonconformity with Article 23 of the Museum Lease, as such provisions existed on June 29, 2012, and Tenant shall give notice to Landlord of such nonconforming use, then, (1) if any Subtenant shall remain in occupancy of such part, Landlord shall use best efforts to cause such nonconforming use to cease (which efforts shall include, if necessary, the institution of actions or proceedings to terminate the Sublease of such Subtenant and to recover possession of such part of the Option Premises), and (2) if Landlord shall recover possession of such part of the Option Premises, and if Landlord shall not have relet such vacant space for use and operation substantially in accordance with the terms of this Article 23, or with respect to the Museum Premises, in conformity with Article 23 of the Museum Lease, within six (6) months following the later of (x) Tenant's aforesaid notice with respect to such part, and (y) Landlord's recovery of possession of such part; then Tenant shall have the right and option, which it may exercise by notice to Landlord given at any time within either (A) sixty (60) days after the expiration of the aforesaid six (6) month period, or (B) if Landlord shall have issued an Option Trigger Notice, sixty (60) days after the issuance of the Option Trigger Notice, to lease from Landlord all or any such part of the Option Premises referred to above, under this Lease and upon and subject to all of the terms and conditions contained herein, except that the Base Rent, for each Fiscal Year, applicable to such part of the Option Premises shall be an amount equal to the fair market rental value of said premises at the time of the addition of said premises to the Premises demised hereunder, determined in accordance with an appraisal conducted in the manner provided in Article 36 hereof. The scope of said appraisal shall be prepared by Lease Administrator in accordance with its policies and reviewed and approved by Tenant, in its reasonable discretion. Landlord may elect to deliver to Tenant written notice of the occurrence of the events giving rise to Tenant's right and option to lease from Landlord all or any portion of the Option Premises (an "Option Trigger Notice"). If Tenant fails to timely exercise its option with respect to any portion of the Option Premises pursuant to this Section 23.9(a), such option shall be deemed expired and, notwithstanding any other provisions of this Article 23, such portion of the Option Premises may be used by Landlord, its tenants and/or its subtenants for any purposes

permitted under the Zoning Resolution and the Brooklyn Bridge Southeast Urban Renewal Plan, as amended.

(b) The term "Option Premises" shall mean the following portions of Landlord's Premises, as each is depicted on Exhibit A-4: (w) the first floor at Nos. 12 and 14 Fulton Street in Schermerhorn Row (except that then existing public circulation areas within No. 12 Fulton Street shall remain as public circulation areas), (x) the first and second floors of 133 Beekman Street, (y) the first floors at 207, 209, 211 Water Street, and (z) the first and second floors of 213-215 Water Street, other than a portion of each of those floors at 213-215 Water Street to be retained by Landlord (the "Retained Areas") for access to the other floors in such buildings, which such Retained Areas shall (i) be large enough to allow for elevators and stairs (such elevator and stairs to be separately demised and to be compliant with all applicable laws, rules, regulations and codes), as determined by Landlord in its reasonable discretion; and (ii) will be available for use by all tenants and occupants of the buildings, and their employees, guests and invitees.

(c) Whenever Tenant shall elect to lease any portion of the Option Premises, the same shall be leased under this Marketplace Lease as aforesaid, and Landlord and Tenant shall enter into a modification of this Marketplace Lease setting forth the terms of such letting in accordance with the provisions of this Section 23.9; and Landlord and Tenant shall execute an amendment to memorandum of lease in recordable form adding such portion of the Option Premises."

(f) The proviso is hereby deleted from Section 23.10(d) of the Original Lease.

(g) The proviso is hereby deleted from Section 23.10(e)(ii) of the Original Lease and replaced with:

"provided, however, if a Third Party John Street Sale fails to close within three hundred sixty (360) days after the John Street Exercise Period, then a second attempt to consummate a sale or lease of the John Street Lot within five years after the John Street Exercise Period shall again be subject to the provisions of this Section 23.10, but no further attempts shall be subject to said provisions"

(h) The diagrams in Exhibit A-4 to the Marketplace Lease are hereby deleted and replaced with the diagrams in Exhibit 2 annexed hereto.

(i) The first sentence of Exhibit E Part I (e) is hereby deleted and replaced with:

"Tenant's janitorial staff shall be sufficient to maintain the Premises to a level of maintenance equal to that of a first-class specialty retail marketplace and, to the extent that any portion of the Project Premises is used as office space or broadcast studio space, to a level of maintenance equal to that for first-class office space or first-class broadcast studio space, respectively."

(j) The first sentence of Exhibit E Part I (f) is hereby deleted and replaced with:

"Tenant shall be responsible for supplying sufficient personnel to patrol all levels of the Market Block, Pier 17 Improvements and those portions of the Museum and Schermerhorn Row Blocks in the Project Premises as appropriate during the hours that

the retail businesses within the marketplace are open and, to the extent that any portion of the Project Premises is used as office space or broadcast studio space, during the hours that such office space and broadcast studio space are open."

(k) Studio Space Sublease. Lease Administrator or its designee shall have the right and option, which it may exercise by written notice to Tenant at any time during the period commencing upon the full execution and delivery of this Second Amendment and ending on the second anniversary thereof to sublease from Tenant the space located in Suite 201 at 19 Fulton Street (the "Studio Space"), upon the terms and conditions more particularly set forth in Exhibit 3.

(l) Additional Event of Default. Section 24.1 of the Marketplace Lease shall be amended with the following additional Event of Default:

"(r) any breach of Tenant's obligations under the attached letter agreement dated October 3, 2017 and attached as Exhibit 4 to the Second Amendment."

Section 3. Miscellaneous.

(a) Neither this Second Amendment nor any provision hereof may be changed or canceled except by agreement in writing signed by the party (acting by a duly authorized partner or officer thereof if the party is a partnership or corporation) against whom any purported change is sought to be enforced.

(b) This Second Amendment shall be governed by, and construed in accordance with, the laws of the State of New York.

(c) Each of the signatories below represent that it has authority to sign on behalf of the party for which it signed and has the power to bind such party.

(d) Except as expressly stated in this Second Amendment all terms and conditions of the Marketplace Lease shall remain in full force and effect, and upon execution of this Second Amendment, any references to the Marketplace Lease shall include this Second Amendment.

[*REMAINDER OF PAGE INTENTIONALLY BLANK*]

IN WITNESS WHEREOF, the parties hereto have executed this Second Amendment as of the date first above written.

THE CITY OF NEW YORK

By: /s/ Gregg Bishop
Name: Gregg Bishop
Title: Commissioner

Approved as to form:

/s/ Authorized Signatory
Acting Corporation Counsel

SOUTH STREET SEAPORT LIMITED PARTNERSHIP

By: _____
Name:
Title:

Attest:

/s/ Michael McSweeney
City Clerk

STATE OF NEW YORK)
: SS.:
COUNTY OF NEW YORK)

On 9-25 , 2017, before me, the undersigned, personally appeared Gregg Bishop personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

ANDREW SCHWARTZ
Notary Public, State of New York
No. 24-4943703
Qualified in Kings County
Commission Expires Oct. 31, 2018

/s/ Andrew Schwartz
Notary Public

STATE OF NEW YORK)
: SS.:
COUNTY OF NEW YORK)

On 9/29 , 2017, before me, the undersigned, personally appeared Michael McSweeney personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

/s/ Wendy Irizarry-Lopez
Notary Public

Wendy Irizarry-Lopez
Commissioner of Deeds
City of New York No. 2-12331
Certificate Filed in New York County
Commission Expires: 1/1/2018

IN WITNESS WHEREOF, the parties hereto have executed this Second Amendment as of the date first above written.

THE CITY OF NEW YORK

By: _____
Name:
Title:

Approved as to form:

_____
Acting Corporation Counsel

SOUTH STREET SEAPORT LIMITED PARTNERSHIP

By: /s/ Grant Herlitz
Name: Grant Herlitz
Title: President

Attest:

_____
City Clerk

STATE OF NEW YORK)
: SS.:
COUNTY OF NEW YORK)

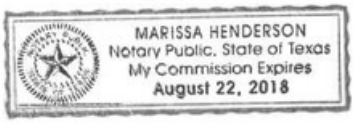
On _____ __, 2017, before me, the undersigned, personally appeared _____ personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

_____
Notary Public

STATE OF Texas)
: SS.:
COUNTY OF Dallas)

On September 22, 2017, before me, the undersigned, personally appeared Grant Herlitz personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

/s/ Marissa Henderson
Notary Public



THIRD AMENDMENT TO
AMENDED AND RESTATED AGREEMENT OF LEASE

This THIRD AMENDMENT TO AMENDED AND RESTATED AGREEMENT OF LEASE (this "Third Amendment") is dated as of this ___ day of October, 2020 (the "Translux Building Commencement Date"), by and among THE CITY OF NEW YORK (AS SUCCESSOR IN INTEREST TO THE SOUTH STREET SEAPORT CORPORATION), a municipal corporation of the State of New York, having an address at City Hall, New York, New York 10007, as landlord (the "Landlord"), and SOUTH STREET SEAPORT LIMITED PARTNERSHIP (AS SUCCESSOR IN INTEREST TO SEAPORT MARKETPLACE, INC.), having an address at c/o The Howard Hughes Corporation, One Galleria Tower, 13355 Noel Road, 22nd Floor, Dallas, Texas 75240, as tenant (the "Tenant").

RECITALS

1. Landlord and Tenant are parties to an Amended and Restated Agreement of Lease dated as of June 27, 2013 (the "Original Lease") with respect to the South Street Seaport Project as more particularly described therein, as amended by that certain First Amendment to Amended and Restated Agreement of Lease dated January 11, 2017 (the "First Amendment"), and by that certain Second Amendment to Amended and Restated Agreement of Lease dated October 3, 2017 (the "Second Amendment", and the Original Lease as amended by the First Amendment and Second Amendment, the "Marketplace Lease").

2. Pursuant to Section 23.9 of the Marketplace Lease, Tenant has the option to lease certain Option Premises, including the first and second floors of 133 Beekman Street from Landlord, and Landlord and Tenant desire to modify the Marketplace Lease to add the first floor and a portion of the second floor of 133 Beekman Street, as more particularly described on Exhibit 1 annexed hereto ("Third Amendment Premises") to the Premises demised under the Marketplace Lease and to make certain other changes in relation to such addition.

3. Landlord and Tenant also desire to modify certain provisions of the Marketplace Lease with respect to the Former Streets (as defined in the Marketplace Lease).

NOW, THEREFORE, in consideration of the foregoing and the covenants of the Parties set forth herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

Section 1. Definitions.

(a) Unless otherwise defined herein, all capitalized terms used herein shall have the respective meanings given to such terms in the Marketplace Lease.

(b) Article 1 of the Marketplace Lease is hereby modified as follows:

(i) The definition of "Restrictive Declaration" is deleted in its entirety, and replaced with the following: '"Restrictive Declaration' means that

certain Restrictive Declaration dated as of June 27, 2013 and entered into by and between the City of New York and SSSLP, as amended and restated by that certain First Amended and Restated Declaration dated as of January 11, 2017, and as further amended from time to time."

(ii) The following definitions shall be added to Article 1:

"Former Streets Liquidated Damages" has the meaning provided in Section 23.4 hereof.

"Former Streets Notice" has the meaning provided in Section 23.4(a) hereof.

"Stall Market Operator" means Fulton Market Association, Inc. currently doing business as the Fulton Stall Market, or any other public market operator as mutually agreed to by Landlord and Tenant, together with its successors and/or assigns.

"Stall Market Operator Agreement" has the meaning provided in Section 10.9 hereof.

"Stall Market Premises" means that certain portion of Parcel II of lite Premises identified on Exhibit 2 attached to this Third Amendment.

"Translux Rent" means annual rent in the amount of Two Hundred and Seventy Thousand and 00/100 Dollars ($270,000,00).

Section 2. **Amendments.** The Marketplace Lease is hereby modified as follows:

(a) The diagrams in Exhibit A-4 to the Marketplace Lease are hereby deleted and replaced with the diagrams in Exhibit 3 annexed hereto.

(b) The legal description of Parcel II of the Premises set forth in Exhibit A to the Marketplace Lease is hereby deleted in its entirety and substituted therefor is the legal description of Parcel II of the Premises set forth in Exhibit 4 annexed hereto.

(c) Section 3.2(a)(i) of the Marketplace Lease is hereby deleted in its entirety and replaced with the following:

Base Rent Payments.

(i) Tenant shall pay Landlord annual base rent throughout the Term as follows: (A) commencing on July 1, 2013 (the "Amendment Commencement Date") One Million Two Hundred Thousand Dollars ($1,200,000); plus (B) commencing on January 11, 2017 (the "Tin Building Commencement Date") $0.00 for the Tin Building Area (the "Tin Building Rent"); plus (C) commencing on April 1, 2021, the Translux Rent.

Notwithstanding anything to the contrary set forth herein, from April 1, 2021 until the earlier to occur of (i) the termination of the Stall Market Operator Agreement (as defined in Section 10.9), (ii) the effective date under any sublease, license, permit or any other agreement that Tenant enters into allowing for the use of the Stall Market Premises or any portion thereof, by any Person other than the Stall Market Operator as provided in Section 10.9, (iii) provided that Tenant has not theretofore entered into a Stall Market Operator Agreement, the date that Landlord provides written notice to Tenant that (A) the Stall Market Premises or any portion (thereof, may be repurposed for other uses consistent with the Marketplace Lease and (B) Tenant shall not be obligated to continue to use commercially reasonable efforts to enter into a Stall Market Operator Agreement pursuant to Section 10.9 (provided that Landlord shall not be permitted to send such notice until the date which is thirty-six (36) months from the date hereof unless Tenant waives such restriction in writing) and (iv) ten (10) years from the Translux Building Commencement. Date, the Translux Rent shall be reduced by $127,295 per annum (the "Reduction Amount"), which such Reduction Amount is the product of (x) $36.37 per rentable square foot and (y) the aggregate rentable square footage of the Stall Market Premises, which Landlord and Tenant tentatively agree is approximately 3,500 rentable square feet, such that the resulting Translux Rent shall be $142,705 per annum. Notwithstanding the foregoing sentence, the Translux Rent shall be adjusted upon confirmation of the Stall Market Premises rentable square footage by Tenant and Landlord. In addition to the foregoing, if Tenant has not entered into a Stall Market Operator Agreement and the Stall Market Premises are vacant for thirty-six (36) months or longer then, provided that Tenant notifies Landlord, (1) Tenant shall not be obligated to continue to use commercially reasonable efforts to enter into a Stall Market Operator Agreement pursuant to Section 10.9, (2) Tenant may enter into Subleases in accordance with Section 10.2, and (3) Tenant shall pay to Landlord the Translux Rent without the reduction contemplated in the preceding sentence.

The amounts referred to in clauses (A), (B) and (C) of this subparagraph (i) shall increase on each anniversary of the Amendment Commencement Date by three percent (3%), compounded annually (subject to adjustment as provided in subparagraph (ii) and subsection (b) of the Marketplace Lease, "Base Rent") and shall be payable in equal monthly installments in advance on the first day of the month for which such monthly installment of Base Rent is due; provided, however, that the Translux Rent shall not increase pursuant to the terms of this paragraph until the anniversary of the Amendment Commencement Date occurring in 2021.

(d) Reserved.

(c) Section 10.2(b)(vi) of the Marketplace Lease is hereby deleted in its entirety and replaced with the following:

(vi) Enter into Subleases for the Premises (except for the Stall Market Premises) in accordance with this Section 10.2;

(f) Section 10.2(i) of the Marketplace Lease is hereby deleted in its entirety and replaced with the following:

Subleases. Except as provided in Section 10.9 below, nothing herein set forth shall require Tenant to obtain Landlord's consent to a Sublease which is not a Major Sublease so long as (A) the Sublessee is not an Unqualified Person, (B) the Sublease conforms to the requirements of Section 10.5(a) hereof, and (C) is consistent with Article 23 hereof.

(g) The following Section 10.9 is hereby added to Article 10 of the Marketplace Lease:

Section 10.9 Stall Market Premises. Tenant shall use reasonable efforts to enter into an agreement ("Stall Market Operator Agreement") with Stall Market Operator that allows for the use of the Stall Market Premises by such operator for a period of no less than ten (10) years from the Translux Building Commencement Date. The Stall Market Operator Agreement shall be subject to the reasonable approval of Landlord. The Stall Market Operator Agreement shall permit the use of the Stall Market Premises in a manner consistent with the uses outlined in Exhibit 5 annexed hereto. If either (x) the Stall Market Operator elects to terminate the Stall Market Operator Agreement or (y) the Stall Market Operator defaults under the Stall Market Operator Agreement beyond any applicable notice and/or cure periods (such termination or default being referred to as a "Stall Market Default"), then Tenant may elect to terminate the Stall Market Operator, Agreement, provided, however, that in the case of a termination due to default by the Stall Market Operator, Tenant shall send a copy of any default notice or notice to cure to Landlord at the same time that Tenant serves such notice on Stall Market Operator, and (a) to the extent such default is monetary in nature, Landlord shall have an additional thirty (30) days from the expiration of Stall Market Operator's cure period, to cure such monetary default, and (b) to the extent such default is non-monetary in nature, Landlord shall have sixty (60) days from the expiration of Stall Market Operator's cure period, to cure such non-monetary default. In the event that the Stall Market Operator Agreement is terminated in accordance with this paragraph, Tenant may repurpose the Stall Market Premises for uses consistent with the Marketplace Lease. For so long as the Stall Market Operator Agreement is in effect and has not been terminated, Tenant shall not enter into a sublease, license, permit or any other agreement allowing for the use of the Stall Market Premises or any portion thereof, by any Person, other than Stall Market Operator, without the prior written consent of Landlord in Landlord's sole and absolute discretion in each instance; provided, however, that the foregoing shall not restrict Tenant from entering into a sublease, license, permit or other agreement allowing for the use of the Stall Market Premises or any portion thereof prior to the termination or

expiration of the Stall Market Operator Agreement so long as such sublease, license, permit or other agreement does not commence until a date which is after the termination or expiration of the Stall Market Operator Agreement.

(h) Section 2(b) of the Second Amendment is hereby amended by adding the following phrase to the end thereof:

"Notwithstanding anything to the contrary set forth above, provided that all applicable Requirements are satisfied, the third floor areas in the Market Block identified on Exhibit 6 annexed hereto, and up to 2,000 square feet of Gross Leasable Area on the ground floor of the Market Block in order to provide access to the third floor, may be used by Tenant or any Subtenant as general executive and administrative office space and the area used for such purposes in accordance with this paragraph shall not be counted as part of the Limited Office Use Area."

(i) Section 23.4 of the Marketplace Lease is hereby replaced with the following:

Section 23.4 Liquidated Damages for Failing to Maintain a Right of Way. Tenant hereby acknowledges the vital importance to maintain the accessibility of the Former Streets to emergency vehicles in accordance with Sections 23.5(b) and (d) of the Marketplace Lease. Tenant acknowledges that Tenant's failure to comply (or to cause its Subtenant(s), contractors and licensees to comply) with the requirements regarding accessibility to emergency vehicles of the Former Streets in Sections 23.5(b) and (d) will cause loss and damage to Landlord and jeopardize the safety of the public, the precise extent of such losses and damages being difficult to ascertain and, therefore, Landlord and Tenant desire to provide fair and reasonable compensation to Landlord for such losses and damages, which compensation shall not be construed as a penalty. It is therefore agreed that, without limiting any of Tenant's obligations under Sections 23.5(b) and (d) of this Marketplace Lease, if Tenant (or its Subtenants), contractors or licensees) fails to maintain a minimum of a fifteen (15)-foot right of way in the Former Streets in accordance with Sections 23.5(b) and (d) of this Marketplace Lease, there shall accrue to Landlord liquidated damages ("Former Streets Liquidated Damages") as follows:

(a) If at any time during the Term. Tenant fails to maintain at minimum a fifteen (15)-foot right of way in the Former Streets, or to cause its Subtenants), contractors or licensees to maintain at minimum a fifteen (15)-foot right of way in the Former Streets, Landlord shall notify Tenant in writing of such non-compliance (each such notice shall be referred to herein as a "Former Streets Notice"), and Tenant shall cure such non-compliance within the time periods provided under the Marketplace Lease. Upon receiving a Former Streets Notice from Landlord with respect to a second failure to maintain such right of way, Tenant shall pay Landlord

$5,000. Upon receiving a Former Streets Notice with respect to a third failure to maintain such right of way, Tenant shall pay Landlord $7,500. Upon receiving a Former Streets Notice with respect to a fourth failure to maintain such right of way, Tenant shall pay Landlord $10,000. Upon receiving a Former Streets Notice with respect to a fifth failure to maintain such right of way, Tenant shall pay Landlord $15,000. Upon receiving a Former Streets Notice with respect to a sixth failure to maintain such right of way, Tenant shall pay Landlord $20,000, Upon receiving a Former Streets Notice with respect to a seventh failure to maintain such right of way, Tenant shall pay Landlord $30,000. Subject to subsection (ii) below, Tenant shall pay Landlord $40,000 upon receiving any subsequent Former Streets Notice. The amounts described above, shall be payable within thirty (30) days of receipt of a Former Streets Notice and such amounts shall be assessed, if at all, by Landlord on a "per violation" basis and not a "per diem" basis for each violation.

(b) If Landlord docs not issue a Former Streets Notice for a period of nine calendar months after the date of any Former Streets Notice, then any Former Streets Notice sent by Landlord after such nine calendar month period shall be deemed to be the first Former Streets Notice, provided that Tenant has paid all Former Streets Liquidated Damages previously incurred.

(c) Commencing January 1, 2027, Former Streets Liquidated Damages amounts shall be increased annually to an amount equal to the product obtained by multiplying the amount of Former Streets Liquidated Damages in the immediately preceding Lease Year by the sum of one and the CPI Increase. All Former Streets Liquidated Damages payable shall constitute Rental hereunder.

(d) Nothing contained herein shall constitute a waiver of any other rights or remedies available to Landlord under the Marketplace Lease.

(j) Section 23.9(b) of the Marketplace Lease is hereby deleted in its entirely and replaced with the following:

(b) The term "Option Premises" shall mean the following portions of Landlord's Premises, as each is depicted on Exhibit A-4; (w) the first floor at Nos, 12 and 14 Fulton Street in Schermerhorn Row (except that then existing public circulation areas within No. 12 Fulton Street shall remain as public circulation areas), (x) certain space located on the second floor of 133 Beekman Street, (y) the first floors at 207, 209, 211 Water Street, and (z) the first and second floors of 213-215 Water Street, other than a portion of each of those floors at 213-215 Water Street to be retained by Landlord (the "Retained Areas") for access to the other floors in such buildings, which such Retained Areas shall (i) be large enough to allow for elevators and stairs (such elevator and stairs to be separately demised and to be compliant with all applicable laws, rules, regulations and codes), as determined by Landlord in its reasonable discretion; and (ii) will be available for use by all tenants and occupants of the buildings, and their employees, guests and invitees.

Section 3. Miscellaneous.

(a) Neither this Third Amendment nor any provision hereof may be changed or canceled except by agreement in writing signed by the party (acting by a duly authorized partner or officer thereof if the party is a partnership or corporation) against whom any purported change is sought to be enforced.

(b) This Third Amendment shall be governed by, and construed in accordance with, the laws of the State of New York.

(c) Each of the signatories below represents that it has authority to sign on behalf of the party for which it signed and has the power to bind such party.

(d) Except as expressly stated in this Third Amendment all terms and conditions of the Marketplace Lease shall remain in full force and effect, and upon execution of this Third Amendment, any references to the Marketplace Lease shall include this Third Amendment. In the event of a conflict between the terms of this Third Amendment and the Marketplace Lease, the provisions of this Third Amendment shall be controlling.

(c) This Third Amendment may be signed in counterparts, all of which counterparts, when taken together, shall be deemed a fully-executed instrument.

[*REMAINDER OF PAGE INTENTIONALLY BLANK*]

IN WITNESS WHEREOF, the parties hereto have executed this Third Amendment as of the date first above written.

THE CITY OF NEW YORK

By: /s/ Andrew Schwartz
Name: Andrew Schwartz
Title: Deputy Commissioner, Legal

Approved as to form:

/s/ Betty C. Woo
Acting Corporation Counsel

SOUTH STREET SEAPORT LIMITED PARTNERSHIP
By: SEAPORT MARKETPLACE, LLC, general partner of South Street Seaport Limited Partnership
By: /s/ Saul A. Scherl
Name: Saul A. Scherl
Title: Vice President

City Clerk:

/s/ Authorized Signatory

STATE OF NEW YORK)
: SS.:
COUNTY OF NEW YORK)

On December 4, 2020, before me, the undersigned, personally appeared Andrew Schwartz personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

/s/ Carlos A. Guerra
Notary Public

Carlos A. Guerra
Notary Public, State of New York
No. 01GU6292830
Qualified in New York County
Commission Expires 11/12/20 21

STATE OF NEW YORK)
: SS.:
COUNTY OF NEW YORK)

On September 30, 2020, before me, the undersigned, personally appeared Saul Scherl personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

/s/ Lisette Gonzalez
Notary Public

LISETTE GONZALEZ
NOTARY PUBLIC, STATE OF NEW YORK
Registration No. 01GO6207103
Qualified in New York County
Commission Expires June 8, 2021

FOURTH AMENDMENT TO
AMENDED AND RESTATED AGREEMENT OF LEASE

This FOURTH AMENDMENT TO AMENDED AND RESTATED AGREEMENT OF LEASE (this "Fourth Amendment") is dated as of the 29TH day of December 2021 by and among THE CITY OF NEW YORK (AS SUCCESSOR IN INTEREST TO THE SOUTH STREET SEAPORT CORPORATION), a municipal corporation of the State of New York, having an address at One Liberty Plaza, New York, New York 10006, as landlord (the "Landlord"), and SOUTH STREET SEAPORT LIMITED PARTNERSHIP (AS SUCCESSOR IN INTEREST TO SEAPORT MARKETPLACE, INC.), having an address at c/o The Howard Hughes Corporation, 9950 Woodloch Forest Drive, Suite 1100, The Woodlands, Texas 77380, as tenant (the "Tenant").

RECITALS

1. Landlord and Tenant are parties to an Amended and Restated Agreement of Lease dated as of June 27, 2013 (the "Original Lease") with respect to the South Street Seaport Urban Renewal Project as more particularly described therein, as thereafter amended by a certain First Amendment to the Original Lease dated January 11, 2017 (the "First Amendment"), by a certain Second Amendment to the Original Lease dated October 3, 2017 (the "Second Amendment"), and by a certain Third Amendment to the Original Lease dated as of October 2020 (the "Third Amendment") (the Original Lease as so amended by the First Amendment, Second Amendment, and the Third Amendment hereinafter the "Marketplace Lease").

2. The New York City Planning Commission ("CPC") adopted a resolution on November 3, 2021, under Supplemental Calendar Number 1, approving application number C210444PPM submitted by Landlord for authorization to dispose of real property of the City in order to extend the term of the Marketplace Lease.

3. On December 28, 2021, the Commissioner of the City's Department of Small Business Services ("SBS") authorized this Fourth Amendment, after having held a public hearing in accordance with Section 1301.2(g) of the New York City Charter.

4. Landlord and Tenant desire to extend the term of the Marketplace Lease, and to modify certain provisions of the Marketplace Lease, as set forth in this Fourth Amendment.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

Section 1. Definitions.

(i) Unless otherwise defined herein, all capitalized terms used herein shall have the respective meanings given to such terms in the Marketplace Lease.

(ii) The term "Effective Date" means (A) the expiration of all applicable statutes of limitations for commencement of an action challenging this Fourth Amendment and the "250 Water Street Land Use Applications" without commencement of an action; or (B) in the event an action is commenced within an applicable statute of limitations and a decision is rendered with respect thereto, such decision is final and not subject to appeal or the period for the taking of any appeals therefrom has expired. "250 Water Street Land Use Applications" means several applications

for modification to the South Street Seaport/Pier 17 Large-Scale General Development (M 130053 (B) ZSM) and an application for a special permit (C 210438 (A) ZSM) approved by the City Council on December 15, 2021.

(iii) The definition of "Initial Term" is deleted and replaced with the following: "Initial Term" means January 1, 2022 through December 31, 2071.

(iv) The definitions of "Landlord Development Rights" and "Tenant Development Rights" contained in the First Amendment are deleted and replaced with the following:

a. "Landlord Development Rights" means approximately 57,980 square feet of floor area appurtenant to Pier 17 and the Tin Building.

b. "Tenant Development Rights" means approximately 509,717 square feet of floor area appurtenant to Pier 17 and the Tin Building.

c. "floor area" has the meaning ascribed to it in Section 12-10 of the Zoning Resolution of the City of New York, effective December 15, 1961, as amended from time to time.

(v) The definition of "Translux Building Commencement Date" contained in the preamble of the Third Amendment is deleted.

Section 2. Amendments. The Marketplace Lease is hereby modified as follows:

(i) Section 2.2(b) is deleted and replaced with the following:

(b) Extended Terms. At the expiration of the Initial Term, if this Lease shall then be in full force and effect and there shall not then exist any Event of Default hereunder, Tenant shall have the option to extend this Lease for up to four consecutive extended terms ("Extended Term(s)"), of ten years each and a final consecutive extended term of nine years, respectively, to commence upon the expiration of the Initial Term or immediately preceding the Extended Term, as the case may be, but in no event shall the Term of this Lease, inclusive of all Extended Terms, extend beyond December 30, 2120 (the "Final Expiration Date"). Any Extended Term shall be on the same terms and conditions of this Lease, except (i) there shall be no right to any Extended Term other than the five consecutive Extended Terms as set forth above in this paragraph, and (ii) the Base Rent shall be adjusted as set forth in Section 3.2 of the Marketplace Lease, as amended. Tenant shall exercise its option for each Extended Term by delivering written notice to Landlord that it is exercising such option ("Extension Notice"), which notice shall be delivered no later than twelve (12) months prior to the date on which the Term, but for the exercise of such Extended Term option, would otherwise expire."

(ii) The words "Translux Building Commencement Date" in clause (iv) of Section 3.2(a)(i) of the Marketplace Lease (Section 2(c)(i) of the Third Amendment) is deleted and replaced with "the tenth anniversary of the commencement date of the Stall Market Operator Agreement".

(iii) Section 3.2(b) is deleted and replaced with the following:

"(b) Reappraisals. The Base Rent shall be adjusted, effective on (i) July 1, 2048 and (ii) December 30, 2097 (each, the "Rent Adjustment Date") to reflect an appraisal of the Premises to be conducted no earlier than six (6) months prior to the Rent Adjustment Date so that the amount of Base Rent payable by Tenant as of the Rent Adjustment Date shall be the higher of (i) the Base Rent amount payable in accordance with subsection (a) above immediately preceding the Rent Adjustment Date and (ii) the fair market rent to be determined by multiplying the land value set forth in said appraisal by six percent (6%). Land value, for the purposes of this paragraph, shall be determined by an appraisal of the fee interest in the Land, considered as unimproved and as unencumbered by this Lease, but taking into consideration (i) the restrictions on use imposed on Tenant in this Lease, (ii) the Tenant's obligation to pay the Esplanade Payments, (iii) the Tenant's maintenance obligations as set forth in Article 14, (iv) any Tenant Development Rights that may be utilized by Tenant pursuant to the provisions of this Lease (taking into consideration all limitations on the use of such Tenant Development Rights) and (v) Landlord's obligations set forth in Section 4.4 regarding Taxes. The scope of said appraisal shall be prepared by Lease Administrator in accordance with its policies and said scope shall be reviewed and approved by Tenant, applying its reasonable discretion. Such appraisal shall be conducted in the manner provided in Article 36 hereof. Following a readjustment of the Base Rent as provided in this subsection, the Base Rent shall continue to escalate annually at the rate of 3%, compounded annually on each anniversary of this Lease."

(iv) A new Section 23.4 is added as follows:

"Section 23.4 Additional Consideration. As additional consideration for this Fourth Amendment, Tenant shall make or fund improvements within the South Street Seaport area, as follows:

(a) Tenant shall make improvements to Titanic Park in an amount of not less than $1,000,000 (one million dollars). Tenant shall propose a scope of work to the City by no later than six months following the Effective Date for the City's review and approval. Any and all costs and expenses associated with such improvements shall be at Tenant's sole cost. In the event that, despite good faith attempts, Landlord and Tenant are unable to reach agreement concerning the scope of work within one year of the Effective Date, Tenant shall pay $1,000,000 (one million dollars) to the City and the City shall determine and perform the improvements at Titanic Park. The work to be performed shall be subject to all necessary public approvals and permits, including, if required, environmental reviews.

(b) Tenant shall make a contribution to the City to support coastal resiliency improvements to be implemented in the Seaport area, as follows: (i) in the event that, as of the Effective Date, the City (or Lease Administrator) has executed a construction management contract to implement a project to protect Lower Manhattan from storm surges and coastal flooding (the

"Seaport Coastal Resiliency Project"), Tenant shall contribute $8,800,000.00 to the City for the Seaport Coastal Resiliency Project, no later than sixty (60) days following the Effective Date. In the event that a construction management contract for the Seaport Resiliency Project has not been executed as of the Effective Date, Tenant shall contribute $8,800,000.00 in three installments as follows: the first installment in the amount of $2,933,334.00 shall be made no later than sixty (60) days following the Effective Date; and the second and third installments, each in the amount of $2,933,333.00, shall be made on the earlier to occur of: (i) the second and third anniversaries of the Effective Date; or (ii) sixty (60) days following the date that the City (or Lease Administrator) executes a construction management contract for the Seaport Coastal Resiliency Project.

(c) To enhance maritime uses and facilitate vessel docking, Tenant shall construct berthing and maritime enhancements on the east and north sides of Pier 17 pursuant to permit applications that Tenant previously filed with SBS and the United States Army Corps of Engineers. The estimated budget for such berthing and maritime enhancements is $3,750,000.00. In the event that less than $3,750,000.00 is required for such berthing and maritime enhancements, the remaining balance shall be added to the funding to be used by Tenant for improvements to Titanic Park pursuant to paragraph (a) of this Section 23.4.

(d) Tenant at its sole cost and expense will replace the fencing currently surrounding the New Market Building (Block 73, Lot 14) and install and maintain a new semi-permanent construction fence around the New Market Building. In addition, Tenant will fund and coordinate a temporary public art display on such temporary fencing, subject to all necessary public approvals. Landlord shall grant Tenant a license, as shall be necessary, to install and maintain such fence and public art display. Tenant shall have the right to remove such public art display after three years from its installation, unless otherwise mutually agreed to by Landlord and Tenant.

(e) Tenant shall, at no cost or expense to Tenant (other than the cost of third- party reviews of Landlord's plans, studies and proposals that Tenant commissions), reasonably cooperate with the City in connection with the planning, design and implementation of the Seaport Coastal Resiliency Project and FiDi-Seaport resilience master plan ("Resiliency Projects"), as follows:

(i) with respect to Resiliency Projects improvements located outside the Project Premises ("Off-Site Improvements"), Tenant shall grant the City access to the Project Premises as may be reasonably necessary to accommodate construction of such Off-Site Improvements. With respect to Landlord's access to the Project Premises for implementing such Off-Site Improvements, Landlord and Tenant shall make commercially reasonable efforts to provide access to Landlord in locations and for a duration that (i) protect Tenant's leasehold improvements, (ii) restore the

Project Premises following completion of construction work, and (iii) minimize disruption or adverse impacts to, Tenant, Tenant's subtenants or other businesses lawfully operating within the Project Premises;

(ii) with respect to any element of the Resiliency Projects that is proposed by Landlord to be located within the Project Premises ("On-Site Improvements"), Landlord shall consult with Tenant and respond to Tenant's commercially reasonable requests for information at all stages of the planning and design process. No On-Site Improvements may be implemented if Tenant reasonably determines that any such improvement would unreasonably disrupt or adversely impact Tenant or Tenant's subtenants or other businesses lawfully operating within the Project Premises, nor shall any such On-Site Improvements diminish the fair market value of Tenant's leasehold improvements. In the event that Tenant reasonably determines that such On-Site Improvements would unreasonably disrupt businesses lawfully operating on the Project Premises or adversely impact such businesses, or diminish the fair market value of Tenant's leasehold improvements, Landlord and Tenant shall cooperate to identify commercially reasonable mitigation measures and strategies.

(f) Tenant shall require that subtenant(s) and/or vendors selling agricultural products for food consumption located in the Tin Building accept Supplemental Nutrition Assistance Program ("SNAP") benefits from customers as long as such program is still in existence. If SNAP is terminated and replaced with a similar food assistance program, the subtenants/vendors shall be required to accept such new program benefits. Prior to opening to the public, Tenant shall provide evidence to Landlord that Tenant's sublease with Fulton Seafood Market, LLC (or a successor subtenant) includes such SNAP requirement."

(v) Section 23.10 (John Street ROFO) is deleted in its entirety.

(vi) Section 10.9 of the Marketplace Lease (contained in Section 2(g) of the Third Amendment) is deleted and replaced with the following:

"Stall Market Premises. Tenant shall use reasonable efforts to enter into an agreement ("Stall Market Operator Agreement") with Stall Market Operator that allows for the use of the Stall Market Premises by such operator for a period of no fewer than ten (10) years. The Stall Market Operator Agreement shall be subject to the reasonable approval of Landlord. The Stall Market Operator Agreement shall permit the use of the Stall Market Premises in a manner consistent with the uses outlined in Exhibit 5 annexed to the Third Amendment. If either (x) the Stall Market Operator elects to terminate the Stall Market Operator Agreement or (y) the Stall Market Operator defaults under the Stall Market Operator Agreement beyond any applicable notice and/or cure periods (such termination or default being referred to as a "Stall Market Default"), then Tenant may

elect to terminate the Stall Market Operator Agreement, provided, however, that in the case of a termination due to default by the Stall Market Operator, Tenant shall send a copy of any default notice or notice to cure to Landlord at the same time that Tenant serves such notice on Stall Market Operator, and (a) to the extent such default is monetary in nature, Landlord shall have an additional thirty (30) days from the expiration of Stall Market Operator's cure period, to cure such monetary default, and (b) to the extent such default is non-monetary in nature, Landlord shall have sixty (60) days from the expiration of Stall Market Operator's cure period, to cure such non-monetary default. In the event that the Stall Market Operator Agreement is terminated in accordance with this paragraph, Tenant may repurpose the Stall Market Premises for uses consistent with the Marketplace Lease. For so long as the Stall Market Operator Agreement is in effect and has not been terminated, Tenant shall not enter into a sublease, license, permit or any other agreement allowing for the use of the Stall Market Premises or any portion thereof, by any Person, other than the Stall Market Operator, without the prior written consent of Landlord, and subject to Landlord's sole and absolute discretion in each instance; provided, however, that the foregoing shall not restrict Tenant from entering into a sublease, license, permit or other agreement allowing for the use of the Stall Market Premises or any portion thereof prior to the termination or expiration of the Stall Market Operator Agreement, so long as such sublease, license, permit or other agreement does not commence until a date which is after the termination or expiration of the Stall Market Operator Agreement."

(vii) Living Wage Agreement. If, at any time during the Initial Term or Extended Term(s),Tenant is receiving more than one million dollars in "financial assistance" as defined in the City's Living Wage Law, then Tenant shall provide an executed Living Wage Agreement in the form annexed hereto as Exhibit 1.

Section 3. Miscellaneous.

(a) Neither this Fourth Amendment nor any provision hereof may be changed or canceled, except by agreement in writing signed by both parties (each party acting by a duly authorized partner or officer thereof if the party is a partnership or corporation) against whom any purported change is sought to be enforced.

(b) This Fourth Amendment shall be governed by, and construed in accordance with, the laws of the State of New York.

(c) Each of the signatories below represents that it has authority to sign on behalf of the party for which it signed and has the power to bind such party.

(d) Except as expressly stated in this Fourth Amendment, all terms and conditions of the Marketplace Lease shall remain in full force and effect, and upon execution of this Fourth Amendment, any references to the Marketplace Lease or the "Lease" shall include this Fourth Amendment.

(e) This Fourth Amendment may be signed in counterparts, all of which counterparts, when taken together, shall be deemed a fully-executed instrument.

[*REMAINDER OF PAGE INTENTIONALLY BLANK*]

IN WITNESS WHEREOF, the parties hereto have executed this Fourth Amendment as of the date first above written.

THE CITY OF NEW YORK

By: /s/ Andrew Schwartz
Name: Andrew Schwartz
Title: Deputy Commissioner

Approved as to Form:

/s/ Authorized Signatory
Acting Corporation Counsel

SOUTH STREET SEAPORT LIMITED PARTNERSHIP

By: _____
Name:
Title:

STATE OF NEW YORK)
: SS.:
COUNTY OF NEW YORK)

On December 28, 2021, before me, the undersigned, personally appeared Andrew Schwartz personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

/s/ ORINO HITE HINKLEY
Notary Public

ORION HITE HINKLEY
Notary Public, State of New York
Reg. No. 01HI6319049
Qualified In Kings County
Commission Expires 02/09/2023

STATE OF NEW YORK)
: SS.:
COUNTY OF NEW YORK)

On _____ __, 202_, before me, the undersigned, personally appeared _____ personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

_____
Notary Public

SOUTH STREET SEAPORT LIMITED PARTNERSHIP

By: /s/ Saul A. Scherl
Name: Saul A. Scherl
Title: Vice President

STATE OF NEW YORK)
: ss.:
COUNTY OF NEW YORK)

On the 20 day of December in the year 2021, before me, the undersigned, a Notary Public in and for said State, personally appeared Saul Scherl, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity(ies), and that by his signatures on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

/s/ Lisette Gonzalez
Notary Public



TERM LOAN AGREEMENT

between

250 SEAPORT DISTRICT, LLC,
as Borrower,

THE LENDERS LISTED HEREIN,
as the Lenders

and

MIZUHO CAPITAL MARKETS LLC,
as Agent

September 7, 2023

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TERM LOAN AGREEMENT

This Term Loan Agreement (this "**Agreement**") is entered into as of September 7, 2023 between **250 SEAPORT DISTRICT, LLC**, a single-purpose Delaware limited liability company ("**Borrower**"), the **LENDERS** listed on the signature pages hereof and any successor or assign thereof (individually, a "**Lender**" and collectively, the "**Lenders**"), and **MIZUHO CAPITAL MARKETS LLC** ("**Mizuho**"), as agent for the Lenders ("**Agent**").

W I T N E S S E T H:

WHEREAS, Borrower desires to obtain the Loan from the Lenders.

WHEREAS, each Lender severally is willing to make the Loan to Borrower subject to and in accordance with the conditions and terms of this Agreement and the other Loan Documents.

NOW, THEREFORE, in consideration of the covenants set forth in this Agreement, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the parties hereto, the parties hereto hereby agree as follows:

ARTICLE 1

CERTAIN DEFINITIONS

Section 1.1 **Certain Definitions**. As used herein, the following terms have the meanings indicated:

"**A/B Notes**" has the meaning assigned in **Section 14.8**.

"**Acceptable Counterparty**" means a financial institution acceptable to Agent with a (a) long term issuer credit rating of at least "A" from S&P or (b) senior unsecured debt rating of at least "A2" from Moody's, and in any event not be on a credit watch for a downgrading.

"**Act**" has the meaning assigned in **Section 8.14(a)**.

"**Accounts**" means all deposit accounts now or hereafter pledged by Borrower to Agent, for the benefit of the Lenders.

"**Accrual Period**" means the monthly period commencing on the first (1st) calendar day of each calendar month of each calendar year and continuing to but excluding the first (1st) calendar day of the following respective calendar month (without adjustment in either case for Business Day payment conventions); provided, however, the initial Accrual Period shall be the period commencing on the Closing Date and continuing to but excluding the first (1st) calendar day of October 2023.

"**Adjustable Rate**" shall mean sum of (a) the Index, and (b) the Margin.

"**Affiliate**" means, with respect to any specified Person, (i) any other Person directly or indirectly Controlling or Controlled by or under direct or indirect Common Control with such specified Person, (ii) any general partner or managing member in such specified Person, (iii) any other Person who owns, directly or indirectly, 10% or more of all equity interests in such Person, or (iv) with respect to Borrower, any Borrower Party. Notwithstanding anything to the contrary in the foregoing sentence, any Person who owns, directly or indirectly, less than 40% of all equity interests in Howard Hughes Holdings Inc. shall not be considered an Affiliate of Borrower or Guarantor.

"**Agent**" has the meaning assigned in the Preamble, and its successors and assigns.

"**Agent Deposit**" has the meaning assigned in **Section 11.30(a)**.

"**Agent's Register**" has the meaning assigned in **Section 14.5**.

"**Agreement**" means this Term Loan Agreement, as originally executed by Borrower, Agent and the Lenders, as the same may be supplemented, amended, modified, consolidated, extended, refinanced, substituted, replaced, renewed and/or restated from time to time.

"**Alterations Threshold**" has the meaning assigned in **Section 8.4(b)**.

"**Appraisal**" means an as-is appraisal of the Project prepared by an Appraiser, which appraisal must comply in all respects with the standards for real estate appraisal established pursuant to Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, as amended, and otherwise in form and substance satisfactory to Agent.

"**Appraiser**" shall mean Cushman & Wakefield or any other "state certified general appraiser" as such term is defined and construed under applicable regulations and guidelines issued pursuant to Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, as amended, which appraiser must have been licensed and certified by the applicable Governmental Authority having jurisdiction in the State, and which appraiser shall have been selected by Agent.

"**Assignee**" has the meaning assigned in **Section 14.1**.

"**Assignment**" has the meaning assigned in **Section 14.1**.

"**Assignment of Rents and Leases**" means the Assignment of Rents and Leases dated as of the date hereof, as originally executed by Borrower in favor of Agent for the ratable benefit of the Lenders, and pertaining to leases of space in the Project, as the same may be supplemented, amended, modified, consolidated, extended, substituted, replaced, renewed and/or restated from time to time.

"**Bankruptcy Code**" means the Federal Bankruptcy Code of 1978, as amended from time to time.

"**Bankruptcy Party**" has the meaning assigned in **Section 9.7**.

"**BCA**" shall mean that certain Brownfield Cleanup Agreement between Borrower and the New York State Department of Environmental Conservation, dated August 1, 2019, with respect to the Project site (Site C231127).

"**Borrower**" has the meaning assigned in the Preamble.

"**Borrower Party**" means any Guarantor, any general partner in Borrower, and any general partner in any partnership that is a general partner in Borrower (if Borrower is a partnership), at any level, and any manager or managing member of Borrower (if Borrower is a limited liability company) and any manager or managing member of any limited liability company that is a manager or managing member of Borrower (if Borrower is a limited liability company), at any level.

"**Business Day**" shall mean any day other than a Saturday, Sunday or any day on which commercial banks in New York, New York are authorized or required to close.

"**Carry Guaranty**" means that certain Interest and Expenses Guaranty dated as of the date hereof, as originally executed by Guarantor to and in favor of Agent for the ratable benefit of the Lenders, as the same may be supplemented, amended, modified, consolidated, extended, substituted, replaced, renewed and/or restated from time to time.

"**Change**" has the meaning assigned in **Section 2.5(f)**.

"**Closing Date**" means September 7, 2023.

"**Code**" means the Internal Revenue Code of 1986, as amended, reformed or otherwise modified from time to time, and the regulations promulgated thereunder from time to time.

"**Collateral Assignment**" means that certain Collateral Assignment dated as of the date hereof, as originally executed by Borrower in favor of Agent for the ratable benefit of the Lenders, as the same may be supplemented, amended, modified, consolidated, extended, substituted, replaced, renewed and/or restated from time to time.

"**Commitment**" means with respect to each Lender, the amount set forth opposite the name of such Lender on the signature pages hereof or in any subsequent amendment hereof or in any assignment and assumption agreement related hereto.

"**Connection Income Taxes**" means Other Connection Taxes that are imposed on or measured by net income (however denominated) or that are franchise Taxes or branch profits Taxes.

"**Construction Consultant**" shall mean a Person or Persons selected by Agent from time to time in its sole discretion as its construction consultant with respect to the Project.

"**Control**" means the possession, directly or indirectly, of the power to direct or cause the direction of the day-to-day management and policies of an entity through the ownership of

voting securities or equity interests, by contract or otherwise. "**Controlled**," "**Controlling**" and "**Common Control**" shall have correlative meanings.

"**Controlled Group**" means all members of a controlled group of corporations and all trades or businesses (whether or not incorporated) under common control which, together with any Loan Party, are treated as a single employer under Section 414(b) or (c) of the Code, and any organization which is required to be treated as a single employer with any Loan Party under Sections 414(m) or 414(o) of the Code.

"**Counterparty Consent**" has the meaning assigned in **Section 2.8(c)**.

"**Creditors' Rights Law**" shall mean with respect to any Person any existing or future law of any state or Federal jurisdiction, domestic or foreign, relating to bankruptcy, insolvency, reorganization, conservatorship, arrangement, adjustment, winding-up, liquidation, dissolution, assignment for the benefit of creditors, composition or other relief with respect to its debts or debtors.

"**Debt**" means, for any Person, without duplication: (a) all indebtedness of such Person for borrowed money, for amounts drawn under a letter of credit, or for the deferred purchase price of property for which such Person or its assets is liable, (b) all unfunded amounts under a loan agreement, letter of credit, or other credit facility for which such Person would be liable, if such amounts were advanced under the credit facility, (c) all amounts required to be paid by such Person as a guaranteed payment to partners or a preferred or special dividend, including any mandatory redemption of shares or interests, (d) all indebtedness guaranteed by such Person, directly or indirectly, (e) all obligations under leases that constitute capital leases for which such Person is liable, and (f) all obligations of such Person under interest rate swaps, caps, floors, collars and other interest hedge agreements, in each case whether such Person is liable contingently or otherwise, as obligor, guarantor or otherwise, or in respect of which obligations such Person otherwise assures a creditor against loss.

"**Debt Service**" means the aggregate interest, scheduled principal, and other payments due on account of the Loan, and on any other outstanding Debt of Borrower (whether permitted or not permitted by Agent) for the period of time for which calculated, but excluding payment of Net Cash Flow applied to (a) reduction of principal and (b) escrows or reserves required by Agent.

"**Default Rate**" means a rate per annum equal to the lesser of (a) the maximum rate permitted by applicable law, and (b) five percent (5%) above the Interest Rate, compounded monthly.

"**Defaulted Amount**" has the meaning assigned in **Section 12.18**.

"**Defaulting Lender**" means, subject to **Section 12.18(b)** or **(d)**, any Lender that (a) has failed to (i) fund all or any portion of its Commitment within two (2) Business Days after the date such Commitment was required to be funded hereunder unless such Lender notifies Agent and Borrower in writing that such failure is the result of such Lender's determination that one or

more conditions precedent to funding (each of which conditions precedent, together with any applicable default, shall be specifically identified in such writing) has not been satisfied, or (ii) pay to Agent or any other Lender any other amount required to be paid by it hereunder within two (2) Business Days after the date when due, (b) has notified Borrower or Agent in writing that it does not intend to comply with its funding obligations hereunder, or has made a public statement to that effect (unless such writing or public statement relates to such Lender's obligation to fund its Commitment hereunder and states that such position is based on such Lender's determination that a condition precedent to funding (which condition precedent, together with any applicable default, shall be specifically identified in such writing or public statement) cannot be satisfied), (c) has failed, within three (3) Business Days after request by Agent or Borrower, to confirm in writing to Agent and Borrower that it will comply with its prospective funding obligations hereunder (provided that such Lender shall cease to be a Defaulting Lender pursuant to this clause (c) upon receipt of such confirmation by Agent and Borrower), or (d) has, or has a direct or indirect parent company that has, (i) become the subject of a proceeding under any Creditors' Rights Law, (ii) had appointed for it a receiver, custodian, conservator, trustee, administrator, assignee for the benefit of creditors or similar Person charged with reorganization or liquidation of its business or assets, including the FDIC or any other state or federal regulatory authority acting in such a capacity, or (iii) intentionally omitted; provided that a Lender shall not be a Defaulting Lender solely by virtue of the ownership or acquisition of any equity interest in that Lender or any direct or indirect parent company thereof by a Governmental Authority so long as such ownership interest does not result in or provide such Lender with immunity from the jurisdiction of courts within the U.S. or from the enforcement of judgments or writs of attachment on its assets or permit such Lender (or such Governmental Authority) to reject, repudiate, disavow or disaffirm any contracts or agreements made with such Lender. Any determination by Agent that a Lender is a Defaulting Lender under any one or more of clauses (a) through (d) above shall be conclusive and binding absent manifest error, and such Lender shall be deemed to be a Defaulting Lender (subject to **Section 12.18(b)** or **(d)**) upon delivery of notice of such determination to Borrower and each Lender.

"**Defaulting Lender Purchase Price**" has the meaning assigned in **Section 12.18**.

"**Deposit Funds**" has the meaning assigned in **Section 11.30(a)**.

"**Development Project**" means the proposed development and construction of the Project with a maximum zoning floor area of 547,000 square feet comprising of residential, office, retail, and community facility uses.

"**Dodd-Frank**" means the Dodd-Frank Wall Street Reform and Consumer Protection Act, as amended, modified, replaced and/or supplemented from time to time, and any orders, rules, regulations, rulings, authorizations, determinations, guidelines, directives and/or any other requirements and/or provisions issued under such Act, existing now or in the future.

"**Embargoed Person**" has the meaning assigned in **Section 13.1**.

"**Employee Benefit Plan**" means any employee benefit plan within the meaning of Section 3(3) of ERISA established or maintained, or to which contributions have been made, by any Loan Party.

"**Environmental Laws**" means any Legal Requirement governing health, safety, industrial hygiene, the environment or natural resources, or Hazardous Materials, including, without limitation, such Legal Requirements governing or regulating the use, generation, storage, removal, recovery, treatment, handling, transport, disposal, control, discharge of, or exposure to, Hazardous Materials, but only to the extent applicable to the Project or Hazardous Materials that originate from the Project. For the avoidance of doubt, all requirements of the New York State Department of Environmental Conservation related to implementation of the BCA are included within the definition of Environmental Laws.

"**ERISA**" means the Employee Retirement Income Security Act of 1974, as amended, modified, replaced and/or supplemented from time to time, and any current or future regulations thereunder.

"**Event of Default**" has the meaning assigned in **Article 9**.

"**Excluded Taxes**" means any of the following Taxes imposed on or with respect to a Recipient or required to be withheld or deducted from a payment to a Recipient, (a) Taxes imposed on (or measured by) net income (however denominated), franchise Taxes, and branch profits or similar Taxes, in each case (i) imposed as a result of such Recipient being organized under the laws of, or having its principal office or, in the case of any Lender, its applicable lending office located in, the jurisdiction imposing such Tax (or any political subdivision thereof) or (ii) that are Other Connection Taxes; (b) in the case of a Lender, any U.S. federal Withholding Tax that is imposed on amounts payable to or for the account of such Lender with respect to an applicable interest in the Loan or the Commitment pursuant to a law in effect on the date on which (i) such Lender acquires such interest in the Loan or the Commitment (other than pursuant to an assignment request by Borrower under **Section 2.5(h)(i)**) or (ii) such Lender changes its lending office), except in each case to the extent that, pursuant to **Section 2.5(c)**, amounts with respect to such Taxes were payable either to such Lender's assignor, immediately before such Lender became a party hereto or to such Lender immediately before it changed its lending office; (c) Taxes attributable to such Recipient's failure to comply with **Section 2.5(a)**; and (d) any U.S. federal Withholding Taxes imposed under FATCA.

"**Executive Order**" means Executive Order No. 13224 on Terrorist Financing, effective September 24, 2001, and relating to Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten to Commit, or Support Terrorism, as amended, modified, replaced and/or supplemented from time to time.

"**FATCA**" means Sections 1471 through 1474 of the Code, as of the date of this Agreement (or any amended or successor version that is substantively comparable and not materially more onerous to comply with), any current or future regulations or official interpretations thereof, any applicable intergovernmental agreement entered into pursuant to Section 1471(b)(1) of the Code.

"**FDIC**" means the Federal Deposit Insurance Corporation or any successor agency.

"**Financial Covenant**" has the meaning assigned in **Section 8.18**.

"**Flood Laws**" has the meaning assigned in **Section 12.10(d)**.

"**GAAP**" means the generally accepted accounting principles, consistently applied, set forth in the opinions and pronouncements of the Accounting Principles Board and the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board (or agencies with similar functions of comparable stature and authority within accounting profession), or in such other statements by such entity as may be in general use by significant segments of the U.S. accounting profession, to the extent such principles apply to partnerships, corporations or limited liability companies, as applicable.

"**Governmental Authority(ies)**" means any court, legislature, council, agency, authority, board (including, without limitation, environmental protection, planning and zoning), bureau, commission, department, office or instrumentality of any nature whatsoever of any governmental or quasi-governmental unit, or any governmental, public or quasi-public authority, of any foreign, domestic, federal, state, county, city, borough, municipal government or other political subdivision of any of the foregoing, or any official thereof, whether now or hereafter in existence.

"**Guarantor**" means TWL-Bridgeland Holding Company, LLC, a Delaware limited liability company.

"**Hazardous Material(s)**" means (i) any and all substances, materials, wastes or mixtures which are or shall be listed, defined, or otherwise determined by any Governmental Authority with jurisdiction over the Project to be hazardous, toxic or otherwise regulated, affected, controlled or which may give rise to liability or an applicable standard of conduct under any Environmental Laws, including any substance identified under any Environmental Law based upon their harmful or deleterious properties as a pollutant, contaminant, hazardous waste, hazardous constituent, special waste, hazardous substance, hazardous material or toxic substance, or petroleum or petroleum-derived substance or waste; (ii) asbestos or asbestos-containing materials; (iii) polychlorinated biphenyls (PCBs) and compounds containing them; (iv) radon gas; (v) laboratory wastes; (vi) experimental products, including genetically engineered microbes and other recombinant DNA products; (vii) petroleum, crude oil, natural gas, natural gas liquid, liquefied natural gas, other petroleum or chemical products, whether liquid, solid or gaseous form, or synthetic gas useable as fuel; (viii) "source," "special nuclear" and "by-product" material, as defined in the Atomic Energy Act of 1954, 42 U.S.C. § 3011 et seq., as amended from time to time; (ix) explosives, radioactive or flammable materials; (x) underground or above-ground storage tanks, whether empty or containing any substance; (xi) indoor air contaminants, mold, fungi, toxins, irritants and other allergens and microbial matter; and (xii) lead and lead-based paint.

"**Indemnified Taxes**" means (a) Taxes, other than Excluded Taxes, imposed on or with respect to any payment made by or on account of any obligation of any Loan Party under any Loan Document and (b) to the extent not otherwise described in (a), Other Taxes.

"**Indemnity Agreement**" means that certain Hazardous Materials Indemnity Agreement dated as of the date hereof, as originally executed by Guarantor and Borrower, collectively and jointly and severally, as indemnitors, to and in favor of Agent for the ratable benefit of the Lenders, as the same may be supplemented, amended, modified, consolidated, extended, substituted, replaced, renewed and/or restated from time to time.

"**Independent Director**" of any corporation or limited liability company shall mean an individual with at least three (3) years of employment experience serving as an independent director at the time of appointment who is provided by, and is in good standing with, CT Corporation, Corporation Service Company, National Registered Agents, Inc., Wilmington Trust Company, Stewart Management Company, Lord Securities Corporation or, if none of those companies is then providing professional independent directors or managers, another nationally recognized company reasonably approved by Agent, that is not an Affiliate of such corporation or limited liability company and that provides professional independent directors or managers and other corporate services in the ordinary course of its business, and which individual is duly appointed as a member of the board of directors or board of managers of such corporation or limited liability company and is not, and has never been, and will not while serving as independent director or manager be:

(a) a member (other than an independent, non-economic "springing" member), partner, equityholder, manager, director, officer or employee of such corporation or limited liability company, or any of its respective equityholders or Affiliates (other than as an independent director or manager of an Affiliate of such corporation or limited liability company that is not in the direct chain of ownership of such corporation or limited liability company and that is required by a creditor to be a single purpose bankruptcy remote entity, provided that such independent director or manager is employed by a company that routinely provides professional independent directors or managers in the ordinary course of business);

(b) a customer, creditor, supplier or service provider (including provider of professional services) to such corporation or limited liability company or any of its respective equityholders or Affiliates (other than a nationally recognized company that routinely provides professional independent directors or managers and other corporate services to such corporation or limited liability company or any of its respective equityholders or Affiliates in the ordinary course of business);

(c) a family member of any such member, partner, equityholder, manager, director, officer, employee, creditor, supplier or service provider; or

(d) a Person that controls or is under common control with (whether directly, indirectly or otherwise) any of the Persons referred to in clauses (a), (b) or (c) above.

A natural person who otherwise satisfies the foregoing definition other than subparagraph (a) by reason of being the independent director or manager of a "special purpose entity" in the direct chain of ownership of such corporation or limited liability company shall not be disqualified from serving as an independent director or manager of such corporation or limited liability company, provided that the fees that such individual earns from serving as independent directors or managers of such Affiliates in any given year constitute in the aggregate less than five percent (5%) of such individual's annual income for that year. For purposes of this paragraph, a "special purpose entity" is an entity whose organizational documents contain restrictions on its activities and impose requirements intended to preserve such entity's separateness that are substantially similar to those contained in **Section 8.14**.

"**Independent Director Event**" shall mean, with respect to an Independent Director, (i) any acts or omissions by such Independent Director that constitute willful disregard of such Independent Director's duties under the applicable organizational documents, (ii) such Independent Director engaging in or being charged with, or being convicted of, fraud or other acts constituting a crime under any law applicable to such Independent Director, (iii) such Independent Director is unable to perform his or her duties as Independent Director due to death, disability or incapacity, or (iv) such Independent Director no longer meeting the definition of Independent Director in this Agreement.

"**Index**" means "USD-SOFR" as defined in the 2006 ISDA Derivatives Definitions (the "2006 ISDA Definitions"), as published by the International Swaps and Derivatives Association, Inc., as amended, supplemented or modified from time to time, provided, that for purposes of such definition, each reference to "Calculation Period" shall be deemed to be a reference to "Accrual Period" and each reference to "Reset Date" shall be deemed to be a reference to the last day of each Accrual Period, and such rate shall be calculated on the basis of "Compounding with Lockout" (as defined in the 2006 ISDA Definitions) with a "Lockout" (as defined in the 2006 ISDA Definitions) of five New York Business Days; provided that, for the avoidance of doubt, the rate for any day in an Accrual Period, including each day in the Lockout Period (as defined in the 2006 ISDA Definitions), as applicable, shall be determined in accordance with the method set forth in "Compounding with Lockout" in Section 6.9 of the 2006 ISDA Definitions as if such day were a "Reset Date"; subject to the limitation that the Index shall not be less than the Index Floor. Each calculation by the Agent of the Index shall be conclusive and binding for all purposes, absent manifest error.

"**Index Floor**" means 0.50%.

"**Interest Rate**" shall mean for any Accrual Period, (a) an interest rate per annum equal to the Adjustable Rate, which Adjustable Rate shall be determined on each Rate Determination Date and shall be adjusted on each Reset Date until the Loan is repaid in full, or (b) in each case, when applicable pursuant to this Agreement or any other Loan Document, the Default Rate. The Interest Rate shall accrue and be computed for each Accrual Period on the basis of the actual number of days in the period in respect of which payment is being made divided by 360. Accrued interest on the Note shall be paid in arrears on each Payment Date.

"**IRS**" has the meaning assigned in **Section 2.5(a)** or any successor agency.

"**Lease(s)**" means a fully executed lease(s), occupancy agreement(s), license agreement(s) or other rental or occupancy arrangement(s) by or binding upon Borrower, as lessor, for space in the Project.

"**Legal Requirement(s)**" means, collectively, all foreign, domestic, federal, state, local and municipal laws, statutes, codes, ordinances, rules, rulings, orders, judgments, decrees, injunctions, arbitral decisions, regulations, authorizations, determinations, directives and any other requirements and/or provisions (including building codes and zoning regulations and ordinances) of all Governmental Authorities, whether now or hereafter in force, which may be or become applicable to Borrower or any Borrower Party, the relationship of lender and borrower, Agent, any Lender, the Project, any of the Loan Documents, or any part of any of them (whether or not the same may be valid) and all requirements, obligations and conditions of all instruments of record on the date hereof.

"**Lenders**" has the meaning assigned in the **Preamble**.

"**Lender/AA Exposure**" has the meaning assigned in **Section 13.1**.

"**Lending Installation**" means any office, branch, subsidiary or Affiliate of a Lender.

"**Lien**" means any interest, or claim thereof, in the Project securing an obligation owed to, or a claim by, any Person other than the owner of the Project, whether such interest is based on common law, statute or contract, including the lien or security interest arising from a deed of trust, mortgage, assignment, encumbrance, pledge, security agreement, conditional sale or trust receipt or a lease, consignment or bailment for security purposes. The term "Lien" shall include reservations, exceptions, encroachments, easements, rights of way, covenants, conditions, restrictions, leases and other title exceptions and encumbrances affecting the Project.

"**Loan**" means the loan to be made by the Lenders to Borrower under this Agreement and all other amounts secured by the Loan Documents.

"**Loan Amount**" has the meaning assigned in **Section 2.1**.

"**Loan Documents**" has the meaning assigned in **Section 2.4(a)**, as any or all of the same may be supplemented, amended, restated and/or replaced from time to time.

"**Loan Party**" means Borrower, Borrower's managing member and Guarantor.

"**Loan-to-Value Ratio**" means, as of any date of determination, the ratio, expressed as a percentage, of (a) the Principal Balance of the Loan as of such date to (b) the "as-is" value of the Project as of such date, as determined by Agent in its reasonable discretion and in accordance with customary underwriting practices by institutional lenders for projects of a similar nature to the Project.

"**Margin**" shall mean 5.00%.

"**Material Action**" shall mean, as to any Person, an action to file any insolvency, or reorganization case or proceeding, to institute proceedings to have such Person be adjudicated bankrupt or insolvent, to institute proceedings under any applicable insolvency law, to seek any relief under any law relating to relief from debts or the protection of debtors, to consent to the filing or institution of bankruptcy or insolvency proceedings against such Person, to file a petition seeking, or consent to, reorganization or relief with respect to such Person under any applicable federal or state law relating to bankruptcy or insolvency, to seek or consent to the appointment of a receiver, liquidator, assignee, trustee, sequestrator, custodian, or any similar official of or for such Person or a substantial part of its property, to make any assignment for the benefit of creditors of such Person, to admit in writing such Person's inability to pay its debts generally as they become due (unless such admission is true), or to take action in furtherance of any of the foregoing.

"**Material Adverse Effect**" or "**Material Adverse Change**" means a material adverse effect upon or a material adverse change in (i) the business affairs, operations or the financial condition of Borrower or Guarantor or (ii) the ability of Borrower or Guarantor to perform its or his or her material contractual obligations under any Loan Document to which it or he or she is a party, or (iii) the validity or priority of the Liens of the Mortgages or the validity or enforceability of this Agreement or any of the other Loan Documents or any of the material rights, remedies or options of the Lenders or Agent hereunder or thereunder or (iv) the Project, the Development Project or the other collateral for the Loan or a material portion or component thereof (including the value or marketability thereof).

"**Maturity Date**" means the earlier of (a) the Scheduled Maturity Date or (b) any earlier date on which the entire Loan is required to be paid in full, by acceleration or otherwise, under this Agreement or any of the other Loan Documents.

"**Member**" has the meaning assigned in **Section 8.14(a)**.

"**Mizuho**" has the meaning assigned in the Preamble.

"**Moody's**" means Moody's Investors Services, Inc., and its successors in interest.

"**Mortgage**" means the Mortgage and Consolidated, Amended and Restated Mortgage, Assignment of Rents and Leases, Security Agreement and Fixture Filing dated as of the date hereof, as originally executed by Borrower in favor of Agent for the ratable benefit of the Lenders, covering and creating a first lien on the Project, as the same may be supplemented, amended, modified, consolidated, extended, substituted, replaced, renewed and/or restated from time to time.

"**Multiemployer Plan**" means an Employee Benefit Plan maintained pursuant to a collective bargaining agreement or any other arrangement to which any Loan Party or any member of the Controlled Group is a party to which more than one employer is obligated to make contributions and which otherwise is a "multiemployer plan" as defined in Section 3(37) of ERISA.

"**Net Cash Flow**" means, for any period, the amount by which Operating Revenues exceed the sum of (a) Operating Expenses, (b) Debt Service, and (c) any actual payment into impounds, escrows, or reserves required by Agent, except to the extent included within the definition of Operating Expenses.

"**Net Operating Income**" means the amount by which Operating Revenues exceed Operating Expenses.

"**New York Business Day**" shall mean any Business Day on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency) in the city of New York, New York.

"**Non-Consenting Lender**" means any Lender that does not approve any consent, waiver or amendment that (i) requires the approval of all or all affected Lenders in accordance with the terms of **Section 12.4** and (ii) has been approved by the Required Lenders.

"**Non-Defaulting Lender**" has the meaning assigned in **Section 12.18**.

"**Non-U.S. Lender**" has the meaning assigned in **Section 2.5(a)(i)**; provided, however, Mizuho, in its capacity as a Lender, is a U.S. Lender and does not qualify as a Non-U.S. Lender.

"**Note**" means the Consolidated, Amended and Restated Promissory Note dated as of the date hereof from Borrower payable to the order of the Lender, as originally executed by Borrower, and any substitute promissory note(s) executed by Borrower as a result of an Assignment pursuant to **Section 14.1**, all as the same may be issued, supplemented, amended, modified, consolidated, extended, refinanced, substituted, replaced, renewed and/or restated from time to time.

"**Notice of Default**" has the meaning assigned in **Section 12.16(a)**.

"**Obligations**" means all loans, advances, debts, liabilities and obligations for monetary amounts (whether such amounts are liquidated or determinable) owing by Borrower to Agent and/or the Lenders, and all present or future covenants and duties of Borrower regarding such amounts, of any kind or nature, whether evidenced by any note, agreement or other instrument, arising under this Agreement or any of the other Loan Documents. This term includes all interest, charges, expenses, reasonable attorneys' fees and any other sum chargeable to Borrower under any of the Loan Documents.

"**OECD**" means the Organization for Economic Cooperation and Development or any successor organization.

"**OFAC**" has the meaning assigned in **Section 13.2**.

"**Operating Expenses**" means, for any period, all reasonable and necessary recurring expenses of operating the Project in the ordinary course of business and which are directly associated with and fairly allocable to the Project for the applicable period, including ad valorem real estate taxes and assessments, insurance premiums, regularly scheduled tax impounds paid to

Agent, maintenance costs, management fees and costs, accounting, legal, and other professional fees, fees relating to environmental and Net Cash Flow and Net Operating Income audits, and other expenses incurred by Agent and reimbursed by Borrower under this Agreement and the other Loan Documents, deposits to any capital replacement reserves required by the terms of this Agreement, wages, salaries, and personnel expenses, but excluding Debt Service, capital expenditures, any of the foregoing expenses which are paid from deposits to cash reserves previously included as Operating Expenses, any payment or expense for which Borrower was or is to be reimbursed from proceeds of the Loan or insurance or by any third party, and any non-cash charges such as depreciation and amortization. Any management fee or other expense payable to Borrower or to an Affiliate of Borrower shall be included as an Operating Expense only with Agent's prior approval. Operating Expenses shall not include federal, state or local income taxes or legal and other professional fees unrelated to the operation of the Project.

"**Operating Revenues**" means, for any period, all revenues of Borrower from operation of the Project or otherwise arising in respect of the Project after the date hereof which are properly allocable to the Project for the applicable period, including receipts from leases and parking agreements, license and concession fees and charges and other miscellaneous operating revenues, proceeds from rental or business interruption insurance, proceeds of any loans (other than the Loan and any refinancing of the Loan) obtained by Borrower after the date hereof which are secured by the Project (less only reasonable and customary expenses incurred in procuring and closing such loan and actually paid in cash to individuals or entities other than Borrower or any Affiliate of Borrower and without implying any consent of Agent to the granting of any security for any such loans), withdrawals from cash reserves (except to the extent any operating expenses paid therewith are excluded from Operating Expenses), any sum received or receivable from any deposit held as security for performance of a tenant's obligation, any other moneys paid or payable in respect of any display or advertising at the Project including any fixture or fitting at the Project for display or advertisement, any sum paid or payable, or the value of any consideration given, for the surrender or variation of any Lease, any sum paid or payable by any guarantor of any Lease, any interest paid or payable on, and any damages, compensation or settlement awards, and proceeds of any awards for temporary takings, but excluding security deposits and earnest money deposits until they are forfeited by the depositor, advance rentals until they are earned, and proceeds from a sale or other disposition.

"**Other Connection Taxes**" means with respect to any Recipient, Taxes imposed as a result of a present or former connection between such Recipient and the jurisdiction imposing such Tax (other than connections arising from such Recipient having executed, delivered, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, engaged in any other transaction pursuant to or enforced any Loan Document, or sold or assigned an interest in the Loan or the Loan Document).

"**Other Taxes**" means all present or future stamp, court or documentary, intangible, recording, filing or similar Taxes that arise from any payment made under, from the execution, delivery, performance, enforcement, filing, recordation or registration of, from the receipt or perfection of a security interest under, or otherwise with respect to, any Loan Document, except

any such Taxes that are Other Connection Taxes imposed with respect to an assignment (other than an assignment made pursuant to **Section 2.5(h)**).

"**Participant**" has the meaning assigned in **Section 14.2(a)**.

"**Participant Register**" has the meaning assigned in **Section 14.2(b)**.

"**Participation**" has the meaning assigned in **Section 14.2(a)**.

"**Patriot Act**" has the meaning assigned in **Section 13.2**.

"**Payment Date**" has the meaning assigned in **Section 2.3(a)**.

"**Pension Plan**" means an employee pension benefit plan within the meaning of Section 3(2) of ERISA (other than a Multiemployer Plan) that is covered by Title IV of ERISA or subject to the minimum funding standards under Section 412 of the Code and as to which any Loan Party or any member of the Controlled Group has any liability (including contingent liabilities).

"**Permitted Transfer**" means (i) leasing of space within the Project, so long as Borrower complies with the provisions of the Loan Documents relating to such leasing activity; (ii) a Transfer by devise or descent or by operation of law upon the death of an individual having a legal or beneficial ownership or economic interest in Borrower; (iii) any conveyance, assignment, issuance of ownership interest, sale, mortgaging, encumbrance, pledging, hypothecation, granting of a security interest in, granting of options with respect to or other disposition (directly or indirectly, voluntarily or involuntarily, by operation of law or otherwise) of any legal or beneficial interest in Guarantor; or (iv) any conveyance, assignment, issuance of ownership interest, sale, mortgaging, encumbrance, pledging, hypothecation, granting of a security interest in, granting of options with respect to or other disposition (directly or indirectly, voluntarily or involuntarily, by operation of law or otherwise) of any legal or beneficial interest in each of Borrower, The Howard Hughes Corporation, Howard Hughes Holdings Inc. or The Howard Research and Development Corporation, so long as, at all times during the term of the Loan, Howard Hughes Holdings Inc. directly or indirectly maintains Control of such entity.

"**Person**" means any individual, corporation, partnership, joint venture, association, joint stock company, trust, trustee, estate, limited liability company, unincorporated organization, real estate investment trust, government or any agency or political subdivision thereof, or any other form of entity.

"**Plan Assets**" shall mean "plan assets" within the meaning of the Plan Assets Regulation.

"**Plan Assets Regulation**" shall mean the U.S. Department of Labor regulation set forth at 29 C.F.R. Section 2510.3-101, as modified by Section 3(42) of ERISA.

"**Plans and Specifications**" shall mean all plans and specifications and other technical drawings, including shop drawings, for the Remediation Work, together with all revisions and modifications thereof and all drawings and notes related thereto.

"**PML**" has the meaning assigned in **Section 3.1(a)(vi)**.

"**Post-Default Plan**" has the meaning assigned in **Section 12.17(d)**.

"**Potential Default**" means the occurrence of any event or condition which, with the giving of notice, the passage of time, or both, would constitute an Event of Default.

"**Principal Balance**" shall mean the aggregate outstanding principal balance of the Notes from time to time.

"**Prohibited Person**" means any Person: (a) listed in the Annex to, or that fails to comply with the provisions of, the Executive Order; (b) that is owned or controlled by, or acting for or on behalf of, any person or entity that is listed in the Annex to, or that otherwise fails to comply with the provisions of, the Executive Order; (c) with whom Agent is prohibited from dealing; (d) that is otherwise engaging in any transaction in violation of any terrorism or money laundering Legal Requirements, including, without limitation, the Executive Order, the Patriot Act; (e) that commits, threatens or conspires to commit, or supports, "terrorism", as such term is defined in the Executive Order or the Patriot Act; (f) that is named as a "specially designated national and blocked person" on the most current list published by OFAC at its official website or at any replacement website or other replacement official publication of such list; or (g) that is an Affiliate of a Person listed above.

"**Project**" means the fee parcel located at 250 Water Street, New York, New York and all related facilities, amenities, fixtures, and personal property owned by Borrower and any improvements now or hereafter located on the real property described in Exhibit A.

"**Ratable Share**" at any time means, with respect to any Lender, its share of the Loan based on the proportion of the Principal Balance advanced by such Lender to the total Principal Balance at such time.

"**Rate Determination Date**" means five (5) New York Business Days prior to the applicable Reset Date.

"**Recipient**" means Agent or any Lender, as applicable.

"**Recourse Indemnity**" means that certain Recourse Indemnity Agreement dated as of the date hereof, as originally executed by Guarantor to and in favor of Agent for the ratable benefit of the Lenders, as the same may be supplemented, amended, modified, consolidated, extended, substituted, replaced, renewed and/or restated from time to time.

"**Remediation Work**" has the meaning assigned in **Section 8.19(a)**.

"**Remediation Work Documents**" has the meaning assigned in **Section 8.19(a)(iii)**.

"**Replacement Lender**" has the meaning assigned in **Section 12.18**.

"**Required Lenders**" means Lenders holding Ratable Shares of the Loan which aggregate to at least sixty-six and two-thirds percent (66 2/3%) of the Principal Balance; provided that (a) at all times when there are two (2) or more Lenders, the Required Lenders will in no event mean less than two (2) Lenders, and (b) the Required Lenders will at all times include Mizuho while it is Agent.

"**Requirements**" has the meaning assigned in **Section 8.13**.

"**Reset Date**" means the first day of each Accrual Period.

"**Risk-Based Capital Guidelines**" has the meaning assigned in **Section 2.5(f)**.

"**S&P**" means S&P Global Ratings, a division of The McGraw Hill Companies, Inc., and its successors in interest.

"**Scheduled Maturity Date**" means September 1, 2026.

"**Secondary Market Transaction**" has the meaning assigned in **Section 8.15**.

"**Single Purpose Entity**" has the meaning assigned in **Section 8.14(a)**.

"**Site Assessment**" means an environmental engineering report for the Project prepared by an engineer engaged by Agent, at Borrower's expense, and in a manner satisfactory to Agent, based upon an investigation relating to and making appropriate inquiries concerning the existence of Hazardous Materials on or about the Project, and the past or present discharge, disposal, release or escape of any such substances, all consistent with good customary and commercial practice.

"**Special Member**" has the meaning assigned in **Section 8.14(a)**.

"**State**" means the State of New York.

"**Tax Requirements**" means, collectively, all foreign, domestic, federal, state, local and municipal laws, statutes, codes, ordinances, rules, rulings, orders, judgments, decrees, injunctions, arbitral decisions, regulations, authorizations, determinations, directives and any other requirements of all Taxing Authorities, including, without limitation, FATCA, whether now or hereafter in force (whether or not the same may be valid).

"**Taxes**" means any and all present or future taxes, levies, imposts, duties, deductions, withholdings (including backup withholding), assessments, fees or other charges imposed by any Taxing Authority, including any interest, additions to tax or penalties applicable thereto.

"**Taxing Authority**" means the U.S. government or the government of any other nation, or of any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government.

"**Transfer**" has the meaning assigned in **Section 8.1**.

"**Transferee**" has the meaning assigned in **Section 14.6**.

"**Unrelated Claims**" has the meaning assigned in **Section 11.3(d)**.

"**U.S.**" means The United States of America.

"**U.S. Lender**" has the meaning assigned in **Section 2.5(a)(iii)**; provided that Mizuho, in its capacity as a Lender, qualifies as a U.S. Lender.

"**Unfunded Defaulted Amount**" has the meaning assigned in **Section 12.18**.

"**Withholding Agent**" means any Loan Party and Agent.

"**Withholding Taxes**" means any and all Taxes collected by withholding or deduction.

Section 1.2 **Principles of Construction**. All references to sections and schedules are to sections and schedules in or to this Agreement unless otherwise specified. All uses of the word "including" shall mean "including, without limitation" unless the context shall indicate otherwise. Unless otherwise specified, the words "hereof," "herein" and "hereunder" and words of similar import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement. Unless otherwise specified, all meanings attributed to defined terms herein shall be equally applicable to both the singular and plural forms of the terms so defined.

ARTICLE 2

LOAN TERMS

Section 2.1 **The Loan**. Each of the Lenders severally agrees, on the terms and conditions set forth in this Agreement, to make a loan to Borrower in the aggregate principal amount of One Hundred Fifteen Million and 00/100 Dollars ($115,000,000.00) (the "**Loan Amount**") all of which is being disbursed to or at the direction of Borrower on the date hereof, as provided for in this Agreement. No portion of the Loan shall be funded or held by any Lender with Plan Assets.

Section 2.2 **Interest Rate; Late Charge; Default Rate**.

(a) The Principal Balance of the Loan (including any amounts added to principal under the Loan Documents) shall bear interest at the Interest Rate and be payable as hereinafter provided. Interest on the Principal Balance shall be computed on the basis of actual number of days elapsed in the period during which interest or fees accrue and a year of three hundred sixty (360) days. In computing interest on the Loan, the date of the making of a disbursement under the Loan shall be included and the date of payment shall be excluded. Such amendment shall become effective without any further action or consent of any other party to this Agreement so long as Agent shall not have received, within five (5) Business Days after the delivery of such amendment to the Lenders, written notices from Lenders aggregating to the

Required Lenders that such Lenders object to such amendment (which such notices shall note with specificity the particular provisions of the amendment to which such Lenders object).

(b) In addition to the payments required under this **Section 2.2**, if Borrower fails to pay any installment of interest on the date on which the same is due, Borrower shall pay to Agent, for the account of the Lenders, a late charge on such past-due amount, as liquidated damages and not as a penalty, equal to the greater of (i) interest at the Default Rate on such amount from the date when due until paid, or (ii) five percent (5%) of such amount, but not in excess of the maximum amount of interest allowed by applicable Legal Requirements. These charges shall be paid to defray the expenses incurred by the Lenders in handling and processing such delinquent payment(s) and to compensate the Lenders for the loss of the use of such funds. These charges shall be secured by the Loan Documents. Notwithstanding anything herein to the contrary, Borrower shall be entitled to one (1) notice in writing from Agent each calendar year if any payments under this **Section 2.2** are past due, and in such instance, Borrower shall not be required to pay a late charge unless such required payment remains unpaid after five (5) days of such notice from Agent.

(c) In addition to the payments required under this **Section 2.2**, from and after the occurrence of an Event of Default, the Loan shall bear interest at the Default Rate. If Borrower fails to pay all or any part of the Loan when due on maturity or its earlier acceleration, then the Loan, to the extent unpaid, shall bear interest at the Default Rate both before and after acceleration and maturity, and both before and after entry of judgment. Any judgment (including a judgment under New York Real Property Actions and Proceedings Law Article 13 or 14) in favor of Agent and/or the Lenders on account of the Loan shall by its terms bear interest at the Default Rate until such judgment has been paid in full in cash, notwithstanding the provisions of New York Civil Practice Law and Rules 5004, which the parties expressly intend to override and supersede, so that any judgment shall bear interest at the Default Rate and not at the judgment rate. Agent's and the Lenders' right to recover interest at the Default Rate shall not be superseded by, or merged into, the issuance of a judgment. At all times after occurrence of an Event of Default, the parties expressly intend that interest on the Obligations (before and after being reduced to judgment) shall be imposed at the Default Rate both before and after acceleration and judgment, until the Obligations or judgment (as the case may be) has been satisfied and paid in full and in cash.

Section 2.3 **Terms of Payment**. Borrower hereby covenants to punctually (i) pay the Loan and the other Obligations, in immediately available funds, as provided herein, in the Note and in the other Loan Documents and (ii) perform the Obligations. Without limiting the foregoing, the Loan shall be payable as follows:

(a) Interest. Borrower shall pay Agent, for the account of the Lenders, interest in accordance with the terms of the Note and this Agreement. Interest on the Principal Balance of the Loan shall accrue from and after the date hereof during each Accrual Period until the Obligations are indefeasibly paid in full. Borrower shall pay interest in arrears for each Accrual Period on the first (1st) Business Day of each month following such Accrual Period (each a "**Payment Date**") until the Obligations are indefeasibly paid in full.

(b) Intentionally omitted.

(c) Maturity. On the Maturity Date, Borrower shall pay to Agent, for the account of the Lenders, all outstanding principal, accrued and unpaid interest, and any other Obligations.

(d) Prepayment. Upon not less than fifteen (15) days' prior notice to Agent, Borrower may prepay the Loan and any other amounts then due and payable under this Agreement and other Loan Documents, in whole or in part. Agent on behalf of the Lenders shall not be obligated to accept any prepayment unless it is accompanied by all accrued interest due under the Loan Documents and all other obligations of Borrower due under the Loan Documents.

(e) Application of Payments. Subject to the terms and conditions of **Section 10.4,** all payments received by Agent under the Loan Documents shall be applied: first, to any previously billed fees and expenses due hereunder to Agent under the Loan Documents; second, to any fees and expenses due to the Lenders under the Loan Documents; third, to the payment of protective advances; fourth, to any Default Rate interest, late charges; fifth, to accrued and unpaid interest; and last, to the principal sum and other amounts due under the Loan Documents.

(f) Set-Off. Subject to the terms and conditions of **Section 2.5**, all payments of the Obligations shall be made, without set-off, deduction, or counterclaim, in immediately available funds by wire transfer to Agent's account set forth in the Note or to such other account(s) or location(s) as Agent may, from time to time, designate upon notice to Borrower.

Section 2.4 **Security**.

(a) The Loan shall be evidenced, secured and supported by the following, all dated as of the date hereof (except as otherwise noted below) (collectively, together with any and all agreements, documents and/or instruments evidencing and/or securing the Loan, with any amendments, supplements, restatements, consolidations, extensions, modifications, renewals, substitutions and replacements thereto from time to time, the "**Loan Documents**"):

(i) this Agreement;

(ii) the Note;

(iii) the Mortgage;

(iv) the Assignment of Rents and Leases;

(v) [Intentionally omitted];

(vi) [Intentionally omitted];

(vii) the Collateral Assignment;

(viii) [Intentionally omitted];

(ix) [Intentionally omitted];

(x) the Recourse Indemnity;

(xi) [Intentionally omitted];

(xii) the Carry Guaranty;

(xiii) the Indemnity Agreement;

(xiv) [Intentionally omitted];

(xv) [Intentionally omitted];

(xvi) [Intentionally omitted];

(xvii) the financing statements referred to in the Mortgage; and

(xviii) such other assignments, pledges, documents and agreements as Agent may require.

(b) [Intentionally omitted].

Section 2.5 **Withholding Taxes; Changes In Legal Requirements; Market Disruption**.

(a) U.S. Lenders and Non-U.S. Lenders. Any Lender that is entitled to an exemption from or reduction of Withholding Tax with respect to payments made under any Loan Document shall deliver to Borrower and Agent, at the time or times reasonably requested by Borrower or Agent, such properly completed and executed documentation reasonably requested by Borrower or Agent as will permit such payments to be made without withholding or at a reduced rate of withholding. Without limiting the generality of the foregoing:

(i) Non-U.S. Lender. Each Lender that is not a "United States person" within the meaning of Section 7701(a)(30) of the Code, as amended (each, a "**Non-U.S. Lender**"), shall, to the extent it is legally entitled to do so, deliver to each of Borrower and Agent, on or prior to the date on which such Non-U.S. Lender becomes a party to this Agreement (and from time to time thereafter upon the reasonable request of Borrower or Agent), whichever of the following is applicable:

(A) in the case of a Non-U.S. Lender claiming the benefits of an income tax treaty to which the U.S. is a party (x) with respect to payments of interest under any Loan Document, executed originals of U.S. Internal Revenue Service (the "**IRS**") IRS Form W-8BEN or IRS Form W-8BEN-E establishing an exemption from, or reduction of, U.S. federal

Withholding Tax pursuant to the "interest" article of such tax treaty and (y) with respect to any other applicable payments under any Loan Document, IRS Form W- 8BEN or IRS Form W-8BEN-E establishing an exemption from, or reduction of, U.S. federal Withholding Tax pursuant to the "business profits" or "other income" article of such tax treaty;

(B) executed originals of IRS Form W-8ECI;

(C) in the case of a Non-U.S. Lender claiming the benefits of the exemption for portfolio interest under Section 881(c) of the Code, deliver to Borrower and Agent (x) a certificate, substantially in the form of **Exhibit D-1** (any such certificate a "**U.S. Tax Compliance Certificate**"), or any other form approved by Agent, to the effect that such Lender is not (A) a "bank" within the meaning of Section 881(c)(3)(A) of the Code, (B) a "10 percent shareholder" of Borrower within the meaning of Section 881(c)(3)(B) of the Code or (C) a "controlled foreign corporation" described in Section 881(c)(3)(C) of the Code, and (y) executed originals of IRS Form W-8BEN or IRS Form W-8BEN-E; or

(D) to the extent a Non-U.S. Lender is not the beneficial owner, executed originals of IRS Form W-8IMY, accompanied by IRS Form W- 8ECI, IRS Form W-8BEN, IRS Form W-8BEN-E, a U.S. Tax Compliance Certificate substantially in the form of **Exhibit D-2** or **Exhibit D-3**, IRS Form W-9, and/or other certification documents from each beneficial owner, as applicable; provided that if the Non-U.S. Lender is a partnership and one or more direct or indirect partners of such Non-U.S. Lender are claiming the portfolio interest exemption, such Non-U.S. Lender may provide a U.S. Tax Compliance Certificate substantially in the form of **Exhibit D-4** on behalf of each such direct and indirect partner.

(ii) Any Non-U.S. Lender shall, to the extent it is legally entitled to do so, deliver to Borrower and Agent on or prior to the date on which such Non-U.S. Lender becomes a party to this Agreement (and from time to time thereafter upon the reasonable request of Borrower or Agent), executed copies of any other form prescribed by applicable law as a basis for claiming exemption from or a reduction in U.S. federal Withholding Tax, duly completed, together with such supplementary documentation as may be prescribed by applicable law to permit Borrower or Agent to determine the withholding or deduction required to be made.

(iii) U.S. Lender. Each Lender that is a "United States person" within the meaning of Section 7701(a)(30) of the Code (each, a "**U.S. Lender**"), shall deliver to Borrower and Agent on or prior to the date on which such Lender becomes a party to this Agreement (and from time to time thereafter upon the reasonable request of Borrower or Agent) an original executed IRS Form W-9 certifying that such Lender is exempt from U.S. federal backup Withholding Tax.

(iv) If a payment made to a Lender under any Loan Document would be subject to U.S. federal Withholding Tax imposed by FATCA if such Lender were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Code, as applicable), such Lender shall deliver to Borrower and Agent at the time or times prescribed by Tax Requirements and at such time or times reasonably requested by Borrower or Agent such documentation prescribed by applicable Tax Requirements (including as prescribed by Section 1471(b)(3)(C)(i) of the Code) and such additional documentation reasonably requested by Borrower or Agent as may be necessary for Borrower and Agent to comply with their obligations under FATCA and to determine that such Lender has complied with such Lender's obligations under FATCA or to determine the amount to deduct and withhold from such payment. Solely for purposes of this **Section 2.5(a)(iv)**, "FATCA" shall include any amendments made to FATCA after the date of this Agreement.

(v) Except as provided in the following sentence, each Lender further undertakes to deliver to Borrower and Agent renewals or additional copies of any form delivered pursuant to **Sections 2.5(a)(i), (ii), (iii) or (iv)**, above, or any successor form, (x) on or before the date that such form expires or becomes obsolete, (y) after the occurrence of any event requiring a change in the most recent form(s) so delivered by it, and (z) as may be reasonably requested by Borrower or Agent. All forms or amendments described in the preceding sentence shall be completed by such Lender and show that such Lender is entitled to receive payments under this Agreement without withholding of U.S. federal Withholding Taxes (or, in the case of IRS Form W-9, U.S. federal backup Withholding Taxes), unless an event (including any change in treaty or Tax Requirements) has occurred after the date hereof and prior to the date on which any such delivery would otherwise be required which renders all such forms inapplicable or which would prevent such Lender from duly completing and delivering any such form or amendment with respect to it and such Lender advises Borrower and Agent that it is not capable of receiving payments without any deduction of U.S. federal Withholding Taxes or U.S. federal backup Withholding Taxes.

(b) Intentionally Deleted.

(c) Withholding Taxes.

(i) Any and all payments by a Loan Party under the Loan Documents shall be made without deduction or withholding for any Taxes, except as required by Tax Requirements. In the event that any Tax is required by Tax Requirements to be withheld or deducted from any payment hereunder or under the Note or any of the other Loan Documents by a Withholding Agent, Borrower or Agent, as the case may be, shall be entitled to make such deduction or withholding and shall timely pay the full amount deducted or withheld to the relevant Taxing Authority in accordance with applicable Tax Requirements, and, if such Tax is an Indemnified Tax, the amount payable by such Loan Party hereunder or thereunder (as the case may be) shall be increased as necessary so that, after such deduction or withholding has been made (including such deduction or

withholding applicable to additional sums payable under this **Section 2.5(c)(i))**, each Lender receives an amount equal to the sum it would have received hereunder or thereunder (as the case may be) if such Indemnified Tax had not been deducted or withheld.

(ii) Loan Parties shall timely pay to the relevant Taxing Authority in accordance with applicable Tax Requirements, or, at the option of Agent, timely reimburse it for the payment of, any Other Taxes.

(iii) Loan Parties shall, jointly and severally, indemnify Agent and each Lender, within ten (10) days after demand therefor, for the full amount of any Indemnified Taxes (including Indemnified Taxes imposed or asserted on or attributable to amounts payable under this **Section 2.5**) payable or paid by Agent or such Lender or required to be withheld or deducted from a payment to Agent or such Lender and any actual out-of-pocket costs and expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes were correctly or legally imposed or asserted by the relevant Taxing Authority. A certificate as to the amount of such payment or liability delivered to Borrower by a Lender (with a copy to Agent), or by Agent on its own behalf or on behalf of a Lender, shall be conclusive absent manifest error. The indemnification obligations of Borrower under this **Section 2.5(c)(iii)** shall survive the payment of the Obligations and termination of this Agreement.

(iv) Each Lender shall severally indemnify Agent, within ten (10) days after demand therefor, for (i) any Indemnified Taxes attributable to such Lender (but only to the extent that any Loan Party has not already indemnified Agent for such Indemnified Taxes and without limiting the obligation of Borrower to do so), (ii) any Taxes attributable to such Lender's failure to comply with the provisions of **Section 15.2** relating to the maintenance of a Participant Register and (iii) any Excluded Taxes attributable to such Lender, in each case, that are payable or paid by Agent in connection with any Loan Document, and any actual out-of-pocket costs and expenses arising therefrom or with respect thereto, whether or not such Taxes were correctly or legally imposed or asserted by the relevant Taxing Authority. A certificate as to the amount of such payment or liability delivered to any Lender by Agent shall be conclusive absent manifest error. Each Lender hereby authorizes Agent to set off and apply any and all amounts at any time owing to such Lender under any Loan Document or otherwise payable by Agent to such Lender from any other source against any amount due to Agent under this **Section 2.5(c)(iv)**.

(v) Borrower consents to the disclosure by Agent and/or Lenders to the IRS of any information on Borrower and its transactions with Agent and/or Lenders that is required to be disclosed by any Legal Requirement or Tax Requirement, including, without limitation, the Code, as amended.

(vi) If any party determines, in its sole discretion exercised in good faith, that it has received a refund of any Taxes as to which it has been indemnified pursuant to this **Section 2.5** (including by the payment of additional amounts pursuant to

this **Section 2.5**), it shall pay to the indemnifying party an amount equal to such refund (but only to the extent of indemnity payments made under this **Section 2.5** with respect to the Taxes giving rise to such refund), net of all actual out-of-pocket costs and expenses (including Taxes) of such indemnified party and without interest (other than any interest paid by the relevant Taxing Authority with respect to such refund. Such indemnifying party, upon the request of such indemnified party, shall repay to such indemnified party the amount paid over pursuant to this **Section 2.5(c)(vi)** (plus any penalties, interest or other charges imposed by the relevant Taxing Authority) in the event that such indemnified party is required to repay such refund to such Taxing Authority. Notwithstanding anything to the contrary in this **Section 2.5(c)(vi)**, in no event will the indemnified party be required to pay any amount to an indemnifying party pursuant to this **Section 2.5(c)(vi)** the payment of which would place the indemnified party in a less favorable net after-Tax position than the indemnified party would have been in if the Tax subject to indemnification and giving rise to such refund had not been deducted, withheld or otherwise imposed and the indemnification payments or additional amounts with respect to such Tax had never been paid. This **Section 2.5(c)(vi)** shall not be construed to require any indemnified party to make available its Tax returns (or any other information relating to its Taxes that it deems confidential) to the indemnifying party or any other Person.

(vii) As soon as practicable after any payment of Taxes by any Loan Party to a Governmental Authority pursuant to this **Section 2.5**, such Loan Party shall deliver to Agent the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to Agent.

(viii) Each party's obligations under this **Section 2.5** shall survive the resignation or replacement of Agent or any assignment of rights by, or the replacement of, a Lender, the termination of the Commitments and the repayment, satisfaction or discharge of all obligations under any Loan Document.

(d) Changes In Legal Requirements. If, after the date hereof, the adoption of any Legal Requirement, or any change therein, or any change in the interpretation or administration thereof by any U.S., New York State and/or foreign Governmental Authority, quasi-governmental authority, central bank or comparable agency charged with the interpretation or administration thereof or compliance by any Lender with any request or directive (whether or not having the force of law) of any such authority, central bank or comparable agency, including, without limitation, Dodd-Frank, (i) subjects such Lender to any additional charge with respect to the Note or to Taxes (other than Indemnified Taxes, Taxes described in clauses (b) through (d) of the definition of Excluded Taxes and Connection Income Taxes) on its loans, loan principal, letters of credit, commitments or other obligations, or its deposits, reserves, other liabilities or capital attributable thereto, (ii) imposes, modifies or makes applicable any additional reserve, assessment, insurance charge, special deposit or similar requirement against assets of, deposits with or for the account of, or credit extended by, such Lender, or (iii) imposes any other condition the result of which is to increase the cost or expense (other than Taxes) to any Lender

or any applicable Lending Installation of making, funding or maintaining its eurocurrency loans or reduces any amount receivable by any Lender or any applicable Lending Installation in connection with its eurocurrency loans or requires any Lender or any applicable Lending Installation to make any payment calculated by reference to the amount of eurocurrency loans made, or interest received, by it by an amount deemed material by such Lender, and the result of any of the foregoing is to increase the costs to such Lender of making, funding or maintaining the Loan, to reduce any amount received or receivable by such Lender thereunder or to reduce the rate of return on such Lender's capital in respect of the Loan, then, within thirty (30) days after demand by such Lender pursuant to this **Section 2.5(d)**, Borrower shall pay to such Lender such additional amount or amounts as will compensate such Lender for such increased cost or reduction; provided, however, that under no circumstance shall Borrower be obligated to gross up such Lender for Connection Income Taxes imposed on such Lender. No Lender shall discriminate against Borrower in making such demand, and such obligation shall be applied to Borrower on a non-discriminatory basis along with other similarly situated borrowers under mortgage loans similar to the Loan. Such Lender's determination of the amount of such increased cost or reduction shall be conclusive, absent manifest error.

(e) Intentionally Omitted.

(f) Changes in Capital Adequacy Regulations. If a Lender reasonably determines the amount of capital required or expected to be maintained by such Lender, any Lending Installation of such Lender or any corporation or other entity controlling such Lender is increased as a result of a change in Legal Requirements, including, without limitation, any Risk-Based Capital Guidelines, then, within thirty (30) days after demand by such Lender pursuant to this **Section 2.5(f)**, Borrower shall pay such Lender the amount necessary to compensate for any shortfall in the rate of return on the portion of such increased capital which such Lender determines is attributable to this Agreement, its loans hereunder, or its obligation to make the Loan hereunder (after taking into account such Lender's policies as to capital adequacy). Any such determination by Agent shall be made as to Borrower on a non-discriminatory basis along with other similarly situated borrowers under mortgage loans similar to the Loan. Notwithstanding the foregoing, for purposes of this Agreement, all requests, rules, guidelines or directives in connection with Dodd-Frank shall be deemed to be a Change regardless of the date enacted, adopted or issued and all requests, rules, guidelines or directives promulgated by the Lender for International Settlements, the Basel Committee on Banking Regulations and Supervisory Practices (or any successor or similar authority) or the U.S. or other financial regulatory authorities shall be deemed to be a Change regardless of the date adopted, issued, promulgated or implemented. "**Change**" means (i) any change which takes effect after the date of this Agreement in the Risk-Based Capital Guidelines or (ii) any adoption of or change in any other law, governmental or quasi-governmental rule, regulation, policy, guideline, interpretation or directive (whether or not having the force of law) or in the interpretation, promulgation, implementation or administration thereof which takes effect after the date of this Agreement which affects the amount of capital required or expected to be maintained by any Lender or any Lending Installation or any corporation controlling any Lender. Any such change the application of which is phased in over time shall be deemed, as to the application(s) which take effect after the date hereof, a "Change." "**Risk-Based Capital Guidelines**" means (i) the risk-based capital

guidelines in effect in the U.S. on the date of this Agreement, including, without limitation, transition rules, and (ii) the corresponding capital regulations promulgated by regulatory authorities outside the U.S., including, without limitation, transition rules, and any amendments, modifications and/or replacements of, and/or supplements to, such regulations adopted and which take effect prior to the date of this Agreement.

(g) Alternate Lending Installation Office, Bank Statements; Survival of Indemnity. To the extent reasonably possible (as determined in the sole discretion of the affected Lender), each Lender shall designate another Lending Installation of such Lender with respect to its percentage of the Loan and shall take other measures in its sole but good faith discretion to reduce any liability of Borrower to such Lender under this **Section 2.5**, so long as such designation or other measure is not disadvantageous in any material respect to such Lender in such Lender's sole but good faith discretion. Each Lender shall promptly deliver a statement to Agent and to Borrower as to the amount due, if any, under this **Section 2.5**. Such statement shall set forth in reasonable detail the calculations upon which such Lender determined such amount and shall be final, conclusive and binding on Borrower in the absence of manifest error. Unless otherwise provided herein, the amount specified in the statement shall be payable within thirty (30) days after receipt by Borrower of the statement. The obligations of Borrower under this **Section 2.5** shall survive payment of the Obligations and termination of this Agreement.

(h) Mitigation.

(i) If any Lender requests compensation under **Section 2.5(c)**, or requires Borrower to pay any Indemnified Taxes or additional amounts to any Lender or any Taxing Authority for the account of any Lender pursuant to **Section 2.5(d)**, then such Lender shall (at the request of Borrower) use commercially reasonable efforts to designate a different lending office for funding or booking its Commitment or to assign its rights and obligations hereunder to another of its offices, branches or affiliates, if, in the reasonable judgment of such Lender, such designation or assignment (A) would eliminate or reduce amounts payable pursuant to **Section 2.5(c)** or **2.5(d)**, as the case may be, in the future, and (B) would not subject such Lender to any unreimbursed cost or expense and would not otherwise be disadvantageous to such Lender. Borrower hereby agrees to pay all actual out-of-pocket costs and expenses incurred by any Lender in connection with any such designation or assignment.

(ii) If any Bank requests compensation under **Section 2.5(c)**, or if Borrower is required to pay any Indemnified Taxes or additional amounts to any Lender or any Taxing Authority for the account of any Lender pursuant to **Section 2.5(d)** and, in each case, such Lender has declined or is unable to designate a different lending office in accordance with **Section 2.5(h)(i)**, then Borrower may, at its sole expense and effort, upon notice to such Lender and Agent, require such Lender to assign and delegate, without recourse (in accordance with and subject to the restrictions contained in, and consents required by, **Article 15**), all of its interests, rights (other than its existing rights to payments pursuant to **Section 2.5(c)** or **Section 2.5(d)**) and obligations under this Agreement and the related Loan Documents to a Person that shall assume such

obligations (which assignee may be another Lender, if a Lender accepts such assignment); provided that:

(A) Borrower shall have paid to Agent the assignment fee (if any) specified in **Section 15.1**;

(B) such Lender shall have received payment of an amount equal to the outstanding principal of its Commitment, accrued interest thereon, accrued fees and all other amounts payable to it hereunder and under the other Loan Documents from the assignee (to the extent of such outstanding principal and accrued interest and fees) or Borrower (in the case of all other amounts);

(C) in the case of any such assignment resulting from a claim for compensation under **Section 2.5(d)** or payments required to be made pursuant to **Section 2.5(c)**, such assignment will result in a reduction in such compensation or payments thereafter;

(D) such assignment does not conflict with applicable Legal Requirements; and

(E) in the case of any assignment resulting from a Lender becoming a Non-Consenting Lender, the applicable assignee shall have consented to the applicable amendment, waiver or consent.

A Lender shall not be required to make any such assignment or delegation if, prior thereto, as a result of a waiver by such Lender or otherwise, the circumstances entitling Borrower to require such assignment and delegation cease to apply.

Section 2.6 **Intentionally omitted**.

Section 2.7 **Intentionally omitted**.

Section 2.8 **Intentionally omitted**.

Section 2.9 **Intentionally omitted**.

Section 2.10 **Intentionally omitted**.

Section 2.11 **Intentionally omitted**.

ARTICLE 3

INSURANCE, CONDEMNATION AND IMPOUNDS

Section 3.1 **Insurance**. Borrower shall maintain insurance for the benefit of the Lenders as follows:

(a) Property Insurance; Business Interruption.

(i) If applicable, insurance against loss customarily included under so called "Special Form" property insurance, policies including flood, collapse, theft and earthquake, boiler and machinery, acts of terrorism, and such other insurable hazards as, under good insurance practices, from time to time are insured against for other property and buildings similar to the premises in nature, use, location, height and type of construction. Such insurance policy shall also insure the additional expense of demolition and increased cost of construction due to the enforcement of Legal Requirements regulating reconstruction at the time of rebuilding following a loss. The amount of such property insurance shall be not less than one hundred percent (100%) of the full replacement cost value of Borrower's improvements, fixtures, personal property, and equipment, provided however, that notwithstanding the foregoing, any demolition and increased cost of construction coverage may contain a sublimit of not less than twenty-five percent (25%) of the replacement cost combined and earthquake insurance shall contain a sublimit of not less than $50,000,000. Each such insurance policy shall contain an agreed amount (or a coinsurance waiver) and shall cover all tenant improvements and betterments which Borrower is required to insure in accordance with any lease.

(ii) If any portion of the improvements is located within an area designated as "flood prone" or a "special flood hazard area" (as defined under the regulations adopted under the National Flood Insurance Act of 1968 and the Flood Disaster Protection Act of 1973), flood insurance shall be provided, in an amount not less than the maximum limit of coverage available under the federal flood insurance plan with respect to the Project. Agent reserves the right to require, to its reasonable satisfaction, flood insurance in excess of that available under the federal flood insurance plan with a maximum limit commonly purchased for other property and buildings similar to the improvements in nature, use, location, height and type of construction. Should the available aggregate limits of flood insurance be eroded by losses so that the remaining limits available to pay losses are less than 40% of the required limits, Borrower shall promptly purchase additional coverage to restore the available limit and aggregate limit to not less than 80% of the required amount of flood insurance. Amounts of flood insurance required by this paragraph (a)(ii) shall be solely for the protection of the improvements. If the amounts of flood insurance required by any ground lease, condominium declaration, reciprocal easement agreement, covenants, conditions and restrictions, or the like are greater than the amounts required herein, then Borrower shall maintain such higher amounts of flood insurance. If the flood insurance and associated aggregate limits are shared among other locations, then the risks associated with other locations also insured in the same policy shall be taken into consideration in determining the amount of flood insurance to be provided herein. If the improvements are not completed, flood insurance may be provided under a Builder's Risk insurance policy.

(iii) If applicable, comprehensive boiler and machinery insurance covering all mechanical and electrical equipment against physical damage on a replacement cost basis. Coverage for these perils may be included with the above referenced property insurance placement.

(iv) If applicable, loss of rental income insurance, on an actual loss sustained basis, as an endorsement to the property coverage required above, in an amount not less than 12 months' Estimated Loss of Rental Income, and, additionally, providing a 360-day maximum period of indemnity providing proceeds based on 100% of the Estimated Loss of Rental Income for a period of at least 12 months following the date of casualty. The term "Estimated Loss of Rental Income" means the total then ascertainable Rents payable under any Leases. Agent on behalf of the Lenders shall be named as loss payee as respects this coverage.

(v) During any period of repair or restoration, unless covered by the insurance required in (a)(i) above, Borrower shall obtain and maintain, or cause Construction Manager to obtain and maintain "Builder's Risk" insurance in an amount equal to 100% of the full insurable completed value of the Project against such risks (including so called "all risk" perils coverage and collapse of the Improvements) to agreed limits as Agent may request, in form and substance acceptable to Agent.

(vi) If applicable, the amount of earthquake insurance shall be based on a "Probable Maximum Loss" Study ("**PML**") for the Project, which must be conducted by a seismic engineering company satisfactory to Agent. The results of the PML study, on an individual location basis and for all locations insured in the same earthquake insurance policies, shall be used to determine the amount of earthquake coverage to be provided by Borrower. The amount of insurance shall be determined by adding the total expected damage to all improvements subject to a single earthquake event in a given region together with the expected loss of rental income for each property, singly and collectively, for a given regional event. Earthquake insurance shall provide a limit inclusive of rent loss for "Very High", "High", and "Moderate" Hazard Earthquake Risk ratings at twice the annual rental amount. Other lower risk-rated buildings, as determined by Agent, shall provide one times the annual rental loss. The total amount of earthquake insurance in limits shall be the sum of expected property damage, reconstruction cost and rental income loss calculation. Should the available aggregate limits of earthquake insurance be eroded by losses so that the remaining limits available to pay losses are less than 40% of the required limits, Borrower shall purchase additional coverage to restore the available limit and aggregate limit to not less than 80% of the required amount of earthquake insurance. Amounts of earthquake insurance required by this paragraph (a)(vi) shall be solely for the protection of the improvements. If the amounts of earthquake insurance required by any ground lease, condominium declaration, reciprocal easement agreement, covenants, conditions and restrictions, or the like are greater than the amounts required herein, then Borrower shall maintain such higher amounts of earthquake insurance. If the earthquake insurance and associated aggregate limits are shared among other locations, then the risks associated with other locations also insured in the same policy shall be taken into consideration in determining the amount of earthquake insurance to be provided herein.

(vii) Intentionally Omitted.

(viii) With respect to commercial property, loss of rents, general liability and excess liability/umbrella insurance required under this **Section 3.1**, such policies shall not exclude losses resulting from perils and acts of terrorism so long as terrorism coverage is commercially available. The policies or endorsements providing for such insurance shall be in form and substance reasonably satisfactory to Agent. If any such insurance policy excludes coverage for perils and acts of terrorism, then Borrower shall obtain a separate terrorism insurance policy in the coverage amount required by this section in form and substance reasonably acceptable to Agent. If the Terrorism Risk Insurance Program Reauthorization Act of 2015 (TRIPRA) is not renewed, extended or replaced any time during the term of the Loan, Borrower shall obtain terrorism coverage on a stand-alone basis if such is available for a cost not to exceed the premium generated by a rate of $0.20 per $100 of the total insured value of the Improvements (total insured value to be defined as the 100% replacement cost plus 12 months of gross rental income).

(b) Liability/Casualty Insurance.

(i) Commercial general liability insurance with minimum combined single limits of $1,000,000 per occurrence, and $2,000,000 in the aggregate, per location, and excess liability/umbrella liability coverage for personal injury, bodily injury, death, accident and property damage, providing in combination no less than $35,000,000 per occurrence ($50,000,000 during construction) and in the annual aggregate, per location. If aggregate limits are shared among more than one location, a $45,000,000 limit shall be obtained. The policies described in this paragraph shall cover, without limitation: elevators, escalators, independent contractors, "Contractual Liability" (covering all insured contracts (as defined in the policy) and, to the maximum extent permitted by law, the mortgagor's obligation to indemnify the mortgagee as required under this Agreement), "Products and Completed Operations Liability" coverage, "Auto Liability" coverage for all owned, hired and non-owned vehicles, if any, excluding losses resulting from the gross negligence of mortgagee, its agents and/or employees.

(ii) Workers' compensation and disability insurance as required by law.

(iii) Environmental Site Liability Policy providing coverage for cleanup, bodily injury, business income, diminution of value and property damage coverage for new pollution conditions that develop during the policy period, and unknown pre-existing pollution conditions for First and Third Parties, providing coverage in an amount equal to the lesser of $25,000,000 each pollution condition, $25,000,000 policy term aggregate, or the limits available in the commercial marketplace at the time of placement and with a maximum deductible or self-insured retention of $250,000. The policy shall be fully assignable to Agent in the event of foreclosure and Agent will be added as an additional named insured on the date hereof.

(c) Form and Quality. All insurance policies shall be endorsed in form and substance reasonably acceptable to Agent to name Agent on behalf of the Lenders as an additional insured, loss payee or mortgagee thereunder, as its interest may appear, with loss

payable to Agent on behalf of the Lenders, without contribution, under a mortgagee clause. With respect to all insurance under **Section 3.1(a)**, no Person other than Agent shall be named as loss payee for the Project. All premiums for such insurance policies and endorsements shall be paid for within thirty (30) days after receipt of the premium invoice (and evidence of such payment shall be delivered to Agent). All such policies and endorsements shall contain such provisions and expiration dates and be in such form and issued by such insurance companies licensed or authorized to do business in the State, with a rating of "A:IX" or better as established by Best's Rating Guide (or an equivalent rating approved in writing by Agent), provided, however, notwithstanding the foregoing, solely with respect to any insurance required hereby to be obtained during construction, the rating of such contractor's insurance shall be "A:VII" or better. If any insurance company issuing such insurance shall no longer have such required rating, Borrower shall, within fifteen (15) Business Days after notice from Agent, cause a replacement insurance policy(ies) to be issued by an insurance company licensed to do business in the State which has such required rating (upon issuance of such replacement insurance policy(ies), Agent will simultaneously release the insurance policy(ies) being replaced). If any insurance company issuing such insurance shall enter into any form of regulatory or governmental receivership or other similar regulatory or governmental proceeding, or is otherwise declared insolvent or required to run off its insurance coverages, Borrower shall, within ten (10) Business Days, deliver to Agent a replacement insurance policy(ies) to be issued by an insurance company licensed to do business in the State which has such required rating. Each policy shall provide that such policy may not be cancelled or materially changed except upon thirty (30) days' prior written notice of intention of non-renewal, cancellation or material change to Agent and that no act or thing done by Borrower shall invalidate any policy as against Agent. Borrower shall, promptly when available, deliver copies of all original policies certified to Agent by the insurance company or authorized agent as being true copies, together with the endorsements required hereunder; provided, however, neither Agent nor any Lender shall be deemed by reason of the custody of such insurance policies to have knowledge of the contents thereof. The proceeds of insurance policies coming into the possession of Agent shall not be deemed trust funds, and Agent shall be entitled to apply such proceeds as herein provided. Borrower may effect such coverage under its blanket insurance policies, provided that (i) any such blanket policy documentation shall specify (x) the portion of the total coverage of such policy that is allocated to the Project, if applicable, and (y) any sublimits in such blanket policy applicable to the Project, which amounts shall not be less than the amount required pursuant to this **Section 3.1**; (ii) any policy of blanket insurance hereunder shall comply in all respects with the other provisions of this **Section 3.1(c)**; and (iii) the protection afforded Borrower under any policy of blanket insurance hereunder shall be no less than that which would have been afforded under a separate policy or policies relating only to the Project. Borrower shall not take out separate insurance concurrent in form or contributing in the event of loss with that required to be maintained under this **Section 3.1** unless Agent is included thereon as a named insured with loss payable to Agent under a standard mortgage endorsement of the character and to the extent above described. Borrower shall promptly notify Agent whenever any such separate insurance is taken out and shall promptly deliver to Agent the policy or policies of such insurance. Each insurance policy shall contain a provision whereby the insurer: (1) waives any right to claim any premiums and commissions against Agent, provided that the policy need not waive the requirement that the premium be paid in order for a claim to be paid to the insured, and (2)

provides that Agent is permitted to make payments to effect the continuation of such policy upon notice of cancellation due to non-payment of premiums. In the event any insurance policy (except for general public and other liability and workers compensation insurance) shall contain breach of warranty provisions, such policy shall provide that with respect to the interest of Agent, such insurance policy shall not be invalidated by and shall insure Agent regardless of (X) any act, failure to act or negligence of or violation of warranties, declarations or conditions contained in such policy by any named insured, (Y) the occupancy or use of the premises for purposes more hazardous than permitted by the terms thereof, or (Z) any foreclosure or other action or proceeding taken by Agent pursuant to any provision of this Agreement or any of the other Loan Documents.

(d) Adjustments. Borrower shall give immediate written notice of any loss at the Project to the insurance carrier and to Agent. With respect to any loss exceeding $200,000, Borrower hereby irrevocably authorizes and empowers Agent, as attorney-in-fact for Borrower coupled with an interest, to make proof of loss, to adjust and compromise any claim under insurance policies, to appear in and prosecute any action arising from such insurance policies, to collect and receive insurance proceeds, and to deduct therefrom Agent's expenses incurred in the collection of such proceeds. Nothing contained in this **Section 3.1(d)**, however, shall require Agent to incur any expense or take any action hereunder.

(e) Lender's Right to Procure Insurance. Notwithstanding anything to the contrary contained herein, if at any time Agent is not in receipt of written evidence that all insurance required hereunder is maintained in full force and effect, Agent shall have the right (but not the obligation), upon notice to Borrower, to take such action as Agent deems necessary to protect its interests in the Project, including, without limitation, the obtaining of such insurance coverage as Agent deems appropriate, and all premiums paid and expenses incurred by Agent in connection with such action shall be paid by Borrower and shall be secured by the Mortgage.

(f) Delivery of Policies. Borrower shall promptly when available deliver to Agent certified copies (or other reasonable evidence) of the insurance policies required to be maintained pursuant to this **Section 3.1**, provided, however, neither Agent nor any Lender shall be deemed by reason of the custody of such insurance policies or copies thereof to have knowledge of the contents thereof. Borrower also shall deliver to Agent, within ten (10) days of Agent's request, a certificate of each insurance carrier evidencing the coverages set forth herein together with evidence that all insurance premiums due thereon have been paid and that such coverages are in full force and effect. Not later than thirty (30) days prior to the expiration date of each of the insurance policies, Borrower shall deliver to Agent binders of all such renewal insurance policies. Such proof of renewal insurance shall include evidence satisfactory to Agent that all insurance premiums therefor have been paid and that the insurance coverages are in full force and effect. Any certificate of insurance delivered to Agent in compliance with the requirements of this Agreement shall include a letter from the relevant insurance company confirming that the entity issuing such certificate of insurance is authorized to do so, and in delivering such certificate they are acting as an agent of the insurance company providing the coverage. If such letter is not provided, then Agent will only accept insurance company issued binders confirming that the required insurance is in full force and effect.

Section 3.2 **Use and Application of Insurance Proceeds**. All insurance proceeds shall be paid to Agent, and Agent shall apply insurance proceeds to costs of restoring the Project or payment of the Loan as follows:

(a) if the loss is less than or equal to $200,000, Agent shall apply the insurance proceeds to restoration provided (i) no Event of Default or Potential Default exists, (ii) Borrower promptly commences and is diligently pursuing restoration of the Project and (iii) the loss is not, directly or indirectly, the result of terrorist activities;

(b) if the loss exceeds $200,000 but is not more than 10% of the replacement value of the improvements, Agent shall apply the insurance proceeds to restoration provided that at all times during such restoration (i) no Event of Default or Potential Default exists; (ii) Agent reasonably determines that there are sufficient funds available to restore and repair the Project to a condition approved by Agent; (iii) intentionally omitted; (iv) Agent determines that after restoration the Loan-to-Value Ratio will be no more than 60%; (v) Agent determines that restoration and repair of the Project to a condition approved by Agent will be completed prior to the Maturity Date; (vi) Borrower promptly commences and is diligently pursuing restoration of the Project and (vii) intentionally omitted;

(c) if the conditions set forth above are not satisfied or the loss exceeds the maximum amount specified in **Section 3.2(b)** above, in Agent's sole discretion, Agent may apply any insurance proceeds it may receive to the payment of the Loan or allow all or a portion of such proceeds to be used for the restoration of the Project;

(d) insurance proceeds applied to restoration will be disbursed on receipt of satisfactory plans and specifications, contracts and subcontracts, schedules, budgets, lien waivers and architects' certificates, and otherwise in accordance with prudent commercial construction lending practices, terms and conditions for construction loan advances;

(e) the net proceeds of rent loss and/or business interruption insurance shall be paid to Agent, with any excess available after payment of principal, interest and any other amounts due under the Loan being delivered to Borrower; and

(f) any excess insurance proceeds remaining after restoration of the Project may be applied to the reduction of the Principal Balance of the Loan, in Agent's sole discretion.

Section 3.3 **Condemnation Awards**. Borrower shall immediately notify Agent of the institution of any proceeding for the condemnation or other taking of the Project or any portion thereof. Agent may participate in any such proceeding and Borrower will deliver to Agent all instruments necessary or required by Agent to permit such participation. Without Agent's prior consent, not to be unreasonably withheld, Borrower (1) shall not agree to any compensation or award, and (2) shall not take any action or fail to take any action which would cause the compensation to be determined. All awards and compensation for the taking or purchase in lieu of condemnation of the Project or any part thereof are hereby assigned to and shall be paid to Agent. Borrower authorizes Agent to collect and receive such awards and compensation, to give proper receipts and acquittances therefor, and in Agent's sole discretion to apply the same toward the payment of the Loan, notwithstanding that the Loan may not then be due and payable, or to

the restoration of the Project; provided, however, if the award is less than or equal to $200,000.00 and Borrower requests that such proceeds be used for non-structural site improvements (such as landscape, driveway, walkway and parking area repairs) required to be made as a result of such condemnation, Agent will apply the award to such restoration in accordance with disbursement procedures applicable to insurance proceeds provided there exists no Potential Default or Event of Default. In the event that Agent permits such compensation or award to be applied towards restoration of the Project, any excess insurance proceeds remaining after restoration of the Project may be applied to the reduction of the Principal Balance of the Loan, in Agent's sole discretion. Borrower, upon request by Agent, shall execute all instruments requested to confirm the assignment of the awards and compensation to Agent, free and clear of all Liens, charges or encumbrances.

ARTICLE 4

ENVIRONMENTAL MATTERS

Section 4.1 **Representations and Warranties on Environmental Matters**. To Borrower's knowledge, except as set forth in the Site Assessment or as disclosed in the Indemnity Agreement, (1) no Hazardous Material is now or was formerly used, stored, generated, manufactured, installed, disposed of or otherwise present at or about the Project or any property adjacent to the Project, except as necessary to remove from the Project Hazardous Materials that exist at the property as of the date hereof, or otherwise as necessary to implement the BCA, and Hazardous Material in quantities and use customarily associated with the cleaning, construction, repair or operation of a building of a type and use and size similar to the Project and used in compliance with all applicable Environmental Laws ("**Permitted Substances**"); (2) all permits, licenses, approvals and filings required by Environmental Laws have been obtained, and the use, operation and condition of the Project does not, and did not previously, violate any Environmental Laws, and (3) no civil, criminal or administrative action, suit, claim, hearing, investigation or proceeding has been brought or been threatened, nor have any settlements been reached by or with any parties (except as set forth in the BCA) or any Liens imposed in connection with the Project concerning Hazardous Materials or Environmental Laws. Notwithstanding anything herein to the contrary, Agent acknowledges receipt of the Site Assessment concerning the environmental condition of the Project and authorizes Borrower to remediate the condition therein described in accordance with the New York State Brownfield Cleanup Program.

Section 4.2 **Covenants on Environmental Matters**.

(a) Borrower shall (i) comply strictly and in all respects with applicable Environmental Laws; (ii) notify Agent immediately upon Borrower's discovery of any spill, discharge, release or presence of any Hazardous Material at, upon, under, within, contiguous to or otherwise affecting the Project; (iii) promptly remove such Hazardous Materials and remediate the Project in full compliance with Environmental Laws and in accordance with the recommendations and specifications of an independent environmental consultant approved by Agent; (iv) promptly forward to Agent copies of all orders, notices, permits, applications or other communications and reports in connection with any spill, discharge, release or the presence of

any Hazardous Material or any other matters relating to the Environmental Laws or any similar Legal Requirements, as they may affect the Project, Borrower, Agent or any Lender; and (v) cooperate with any environmental consultant or engineer performing or updating a Site Assessment (Agent's or Borrower's), including responding to any interview request and the questions propounded thereat.

(b) Borrower shall (i) not cause, shall prohibit any other Person within the control of Borrower from causing, and shall use prudent, commercially reasonable efforts to prohibit other Persons (including tenants) from causing, any spill, discharge or release, or the use, storage, generation, manufacture, installation, or disposal, of any Hazardous Materials at, upon, under, within or about the Project or the transportation of any Hazardous Materials to or from the Project (except for Permitted Substances), (ii) not install, shall prohibit any other Person within the control of Borrower from installing, and shall use prudent, commercially reasonable efforts to prohibit any other Persons (including tenants) from installing, any underground storage tanks at the Project, and (iii) not conduct, shall prohibit any other Person within the control of Borrower from conducting, and shall use prudent, commercially reasonable efforts to prohibit other Persons (including tenants) from conducting, any activity that requires a permit or other authorization under Environmental Laws.

(c) Borrower shall provide to Agent, at Borrower's expense promptly upon the written request of Agent from time to time, a Site Assessment or, if required by Agent, an update to any existing Site Assessment, to assess the presence or absence of any Hazardous Materials and the potential costs in connection with abatement, cleanup or removal of such Hazardous Materials found on, under, at or within the Project.

(d) All activities conducted in accordance with the BCA shall be deemed to comply with the covenants set forth in this **Section 4.2**.

Section 4.3 **Allocation of Risks and Indemnity**. As between Borrower, on one hand, and Agent and the Lenders, on the other hand, all risk of loss associated with non-compliance with Environmental Laws, or with the presence of any Hazardous Material at, upon, within, contiguous to or otherwise affecting the Project, shall lie solely with Borrower. Accordingly, Borrower shall bear all risks and costs associated with any loss (including any loss in value attributable to Hazardous Materials), damage or liability therefrom, including all costs of removal of Hazardous Materials or other remediation required by Agent or by Legal Requirements. Borrower shall indemnify, defend and hold harmless Agent and the Lenders from and against all loss, liabilities, damages, claims, costs and expenses (including reasonable costs of defense) arising out of or associated, in any way, with the non-compliance with Environmental Laws, or the release or the existence of Hazardous Materials in, on, or about the Project, or a breach of any representation, warranty or covenant contained in this **Article 4**, whether based in contract, tort, implied or express warranty, strict liability, criminal or civil statute or common law, including those arising from the joint, concurrent, or comparative negligence of Agent; however, Borrower shall not be liable under such indemnification to the extent such loss, liability, damage, claim, cost or expense results solely from Agent's or the Lenders' gross negligence or willful misconduct. Borrower's obligations under this **Article 4** shall arise upon the discovery of the presence of any Hazardous Material, whether or not any

Governmental Authority has taken or threatened any action in connection with the presence of any Hazardous Material, and whether or not the existence of any such Hazardous Material or potential liability on account thereof is disclosed in the Site Assessment and shall continue notwithstanding the repayment of the Loan or any Transfer of any right, title and interest in the Project (by foreclosure, deed in lieu of foreclosure or otherwise).

Section 4.4 **No Waiver**. Notwithstanding any provision in this **Article 4.4** or elsewhere in the Loan Documents, or any rights or remedies granted by the Loan Documents, Agent and the Lenders do not waive and expressly reserve all rights and benefits now or hereafter accruing to Agent and/or the Lenders under the "security interest" or "secured creditor" exception under applicable Environmental Laws, as the same may be amended. No action taken by Agent or the Lenders pursuant to the Loan Documents shall be deemed or construed to be a waiver or relinquishment of any such rights or benefits under the "security interest exception."

Section 4.5 **Obligations Unsecured**. Borrower acknowledges and agrees that, notwithstanding anything to the contrary contained in any of the Loan Documents, the representations, warranties and covenants of Borrower contained in this **Article 4** are independent obligations which are not secured by the Mortgage or any other Loan Document. Borrower further acknowledges that it is the intent of Agent and the Lenders to create separate obligations of Borrower under this **Article 4** which can be enforced against Borrower without regard to the existence of the Mortgage or the other Loan Documents or the Liens or security interests contained therein.

ARTICLE 5

LEASING MATTERS

Section 5.1 **Representations and Warranties on Leases**. Borrower represents and warrants to Agent and the Lenders that there are no Leases or oral agreements currently in place on any portion of the Project.

Section 5.2 **Standard Lease Form; Approval Rights; Security Deposits**.

(a) All Leases shall in all respects be reasonably approved by Agent and, with respect to any Lease entered into from and after the date hereof, shall be on a standard lease form approved by Agent with no material modifications (except as approved by Agent) and shall be at market terms and conditions. Such Lease form and all future Leases at the Project shall provide that (i) the Lease is subordinate to the Mortgage, (ii) the tenant shall attorn to Agent on behalf of the Lenders, and (iii) that any cancellation, surrender, or amendment of such Lease without the prior written consent of Agent shall be voidable by Agent.

(b) All modifications, amendments and/or waivers of Leases shall be approved by Agent.

(c) Borrower shall hold, in trust, all tenant security deposits (if any) in a segregated account, and, to the extent required by applicable Legal Requirements, shall not commingle any such funds with any other funds of Borrower. Within ten (10) days after Agent's

request, Borrower shall furnish to Agent a statement of all tenant security deposits, and copies of all Leases not previously delivered to Agent, certified by Borrower as being true and correct.

Section 5.3 **Covenants**. Borrower shall (1) perform the obligations which Borrower is required to perform under the Leases; (2) enforce the obligations to be performed by the tenants; (3) promptly furnish to Agent any notice of default or termination received by Borrower from any tenant, and any notice of default or termination given by Borrower to any tenant; (4) not collect any rents for more than one (1) month in advance of the time when the same shall become due, except for bona fide security deposits; (5) not enter into any ground lease, sandwich lease or master lease of any portion of the Project; (6) not further assign or encumber any Lease; (7) not cancel or accept surrender or termination of any Lease; (8) not modify or amend any Lease (except for minor modifications and amendments entered into in the ordinary course of business, consistent with prudent property management practices, not affecting the economic terms of such Lease); and (9) deliver to Agent, promptly after entering into the same, true, correct and complete copies of all Leases; and any action in violation of clauses (5), (6), (7) and (8) of this **Section 5.3** shall be void at the election of Agent.

Section 5.4 **Tenant Estoppels**. At Agent's request, Borrower shall obtain and furnish to Agent written estoppels in form and substance satisfactory to Agent, executed by tenants under Leases in the Project and confirming the term, rent and other provisions and matters relating to the Leases.

ARTICLE 6

REPRESENTATIONS AND WARRANTIES

Borrower represents and warrants to Agent and the Lenders that:

Section 6.1 **Organization and Power**. Borrower represents and warrants that: (1) each Loan Party is duly organized, validly existing and in good standing under the Legal Requirements of the state of its formation or existence set forth on **Schedule 6.1(a)**, (2) each Loan Party is qualified to do business and in good standing under the Legal Requirements of every state in which it does business or is otherwise required to qualify under that state's Legal Requirements, (3) each Loan Party is in compliance with Legal Requirements applicable to doing business in the State, and (4) each Loan Party has the power and authority to own its property, borrow or guarantee, as the case may be, the Loan and enter into and perform its obligations under the Loan Documents. Borrower is not a "foreign person" within the meaning of § 1445 (f) (3) of the Internal Revenue Code, as amended. The organizational chart of Borrower attached hereto as **Schedule 6.1(b)** is true, correct and complete.

Section 6.2 **Validity of Loan Documents**. The execution, delivery and performance of the Loan Documents by Borrower and each Borrower Party that is a party to the Loan Documents: (1) are duly authorized and do not require the consent or approval of any other party or Governmental Authority which has not been obtained; and (2) will not violate any Legal Requirement or result in the imposition of any lien, charge or encumbrance upon the assets of any such party, except as contemplated by the Loan Documents. The Loan Documents have been duly executed and delivered and constitute the legal, valid and binding obligations of Borrower

and each Borrower Party that is a party to the Loan Documents, enforceable in accordance with their respective terms, subject to applicable Creditors' Rights Laws generally affecting the enforcement of creditors' rights.

Section 6.3 **Liabilities; Litigation**.

(a) There are no liabilities (fixed or contingent) affecting the Project or Borrower, other than as disclosed in writing to Agent. There are no liabilities (fixed or contingent) affecting the Guarantor that would have a material adverse effect on the Guarantor or the Project. Except as disclosed in such financial statements or on **Schedule 6.3** attached hereto and made a part hereof, there is no litigation, administrative proceeding, investigation or other legal action (including any proceeding under any Creditors' Rights Law) pending or, to the knowledge of Borrower after due inquiry, threatened, against the Project, Borrower or any Borrower Party which if adversely determined could have a Material Adverse Effect.

(b) Neither Borrower nor any Borrower Party is contemplating either the filing of a petition by it under any Creditors' Rights Law or the liquidation of all or a major portion of its assets or property, and neither Borrower nor any Borrower Party has knowledge of any Person contemplating the filing of any such petition against it.

Section 6.4 **Taxes and Assessments**. The Project is comprised of one or more parcels, each of which constitutes a separate tax lot and none of which constitutes a portion of any other tax lot. There are no pending or, to Borrower's knowledge, proposed, special or other assessments for public improvements or otherwise affecting the Project, nor are there any contemplated improvements to the Project that may result in such special or other assessments.

Section 6.5 **Other Agreements; Defaults**.

(a) Neither the execution, delivery or performance by each Borrower Party of the Loan Documents to which it is a party (including, without limitation, the granting of Liens pursuant to the respective Loan Documents), nor compliance by each such Borrower Party with the terms and conditions thereof, nor the consummation of the transactions contemplated therein (i) will contravene any provision of any Legal Requirement applicable to such Borrower Party, (ii) will conflict with or result in any breach of or constitute a tortious interference with any of the terms, covenants, conditions or provisions of, or constitute a default under, or result in the creation or imposition of (or the obligation to create or impose) any Lien (except pursuant to the respective Loan Document) upon any of the property or assets of such Borrower Party pursuant to the terms of any contractual obligation to which such Borrower Party is a party or by which it or any of its property or assets is bound or to which it or any of its property or assets may be subject, (iii) will violate any provision of any organizational document of such Borrower Party or (iv) requires any approval or consent of partners, members or any other Person which has not been obtained.

(b) Neither Borrower nor any Borrower Party is a party to any agreement or instrument or subject to any court order, injunction, permit or restriction which might adversely affect the Project or the business, properties, assets, operations or condition (financial or otherwise) of Borrower or any Borrower Party. Neither Borrower nor any Borrower Party is in

violation of any agreement which violation would have an adverse effect on the Project, Borrower or any Borrower Party, or Borrower's or any Borrower Party's business, properties, assets, operations or condition (financial or otherwise). Neither Borrower nor any Borrower Party has (i) entered into any agreement under which, the default by Borrower or such Borrower Party, as the case may be, may result in a Potential Default or an Event of Default under this Agreement or any of the other Loan Documents, or (ii) granted a Lien on any of the collateral for the Loan to secure any obligation of Borrower or any Borrower Party under any agreement with any Person other than Agent and/or the Lenders. Borrower is not a party to, or bound by, any so-called integrated cash management arrangement with any of its Affiliates or sponsors. Borrower and each applicable Borrower Party has obtained all non-governmental third-party approvals and consents to own, lease, finance and/or operate the Project and to carry on Borrower's business.

Section 6.6 **Compliance with Legal Requirements**.

(a) Borrower and each Borrower Party has all requisite approvals, consents, licenses, permits, franchises, qualifications, certificates of occupancy or other governmental authorizations to own, lease, finance and/or operate the Project and to carry on its business, and the Project is in compliance with all Legal Requirements and is free of structural defects, and all building systems contained therein are in good working order, subject to ordinary wear and tear. The Project does not constitute, in whole or in part, a legally non-conforming use under Legal Requirements;

(b) No condemnation has been commenced or, to Borrower's knowledge, is contemplated with respect to all or any portion of the Project or for the relocation of roadways providing access to the Project; and

(c) The Project has adequate rights of legal and physical access to public ways and is served by adequate water, sewer, sanitary sewer and storm drain facilities. All public utilities necessary or convenient to the full use and enjoyment of the Project are located in the public right-of-way abutting the Project, and all such utilities are connected so as to serve the Project without passing over other property, except to the extent such other property is subject to a perpetual easement for such utility benefiting the Project. All roads necessary for the full utilization of the Project for its current purpose have been completed and dedicated to public use and accepted by all Governmental Authorities.

Section 6.7 **Location of Borrower**. Borrower's principal place of business and chief executive offices are, and the office where Borrower maintains all records relating to the Project and the other collateral under the Loan Documents is, located at the address stated in **Section 11.1**.

Section 6.8 **ERISA**.

(a) Except in each case where such tax, penalty or compliance failure would not reasonably be expected to have a Material Adverse Effect: (i) no Loan Party nor, to Borrower's knowledge, any other Person to whom any Loan Party may have an obligation to indemnify to any tax or penalty imposed under Section 4975 of the Code or Section 502 of ERISA, has engaged in any non-exempt prohibited transaction (as defined in Section 4975 of the

Code or Section 406 of ERISA); (ii) each Employee Benefit Plan (other than a Multiemployer Plan) has been administered in accordance with its terms and in compliance with all applicable Legal Requirements, including any reporting requirements, in all material respects; and (iii) each Employee Benefit Plan (other than a Multiemployer Plan) that is intended to qualify under Section 401(a) or 401(k) of the Code is the subject of a favorable determination or opinion letter from the IRS as to its tax-qualified status and to Borrower's knowledge, no event has occurred that would reasonably be expected to result in the disqualification of such Employee Benefit Plan.

(b) Except as would not reasonably be expected to have a Material Adverse Effect: (i) no Loan Party nor member of the Controlled Group maintains, contributes to or has any liability with respect to a Pension Plan or any Multiemployer Plan that is subject to Title IV of ERISA; (ii) no accumulated funding deficiency (whether or not waived) under Section 412 of the Code or Section 302 of ERISA has occurred with respect to any Pension Plan; and (iii) no Loan Party has any unfunded liability for uninsured retiree medical or death benefits (contingent or otherwise) other than as required by Section 4980B of the Code. There is no Lien imposed under ERISA outstanding or security interest given by any Loan Party in connection with any Pension Plan. No part of the funds to be used by a Loan Party in satisfaction of their respective obligations under this Agreement and the other Loan Documents, constitute Plan Assets.

Section 6.9 **Margin Stock**. No part of the proceeds of the Loan will be used for purchasing or acquiring any "margin stock" within the meaning of Regulations T, U or X of the Board of Governors of the Federal Reserve System.

Section 6.10 **Tax Filings**. Borrower and each Borrower Party have filed (or have obtained effective extensions for filing) all federal, state and other material tax returns required to be filed and have paid or **made** adequate provision for the payment of all federal, state and other material taxes, charges and assessments.

Section 6.11 **Solvency**. Giving effect to the Loan, the fair saleable value of Borrower's assets exceeds and will, immediately following the making of the Loan, exceed Borrower's total liabilities, including, without limitation, subordinated, unliquidated, disputed and contingent liabilities. The fair saleable value of Borrower's assets is and will be immediately following the making of the Loan, greater than Borrower's probable liabilities, including the maximum amount of its contingent liabilities on its **Debts** as such Debts become absolute and matured. Borrower's assets do not and, immediately following the making of the Loan will not, constitute unreasonably small capital to carry out its business as conducted or as proposed to be conducted. Borrower does not intend to, and does not believe that it will, incur Debts and liabilities (including contingent liabilities and other commitments) beyond its ability to pay such Debts as they mature (taking into account the timing and amounts of cash to be received by Borrower and the amounts to be payable on or in respect of obligations of Borrower).

Section 6.12 **Full and Accurate Disclosure**. No statement of fact made by or on behalf of Borrower or any Borrower Party in this Agreement or in any of the other Loan Documents contains any untrue statement of a material fact or omits to state any material fact necessary to make statements contained herein or therein not misleading. There is no fact presently known to

Borrower which has not been disclosed to Agent which adversely affects, nor as far as Borrower can foresee, might adversely affect, the Project or the business, assets, properties, operations or condition (financial or otherwise) of Borrower or any Borrower Party.

Section 6.13 **Single Purpose Entity**. Borrower is and has at all times since its respective formation been a Single Purpose Entity.

Section 6.14 **Property Specific Representations**.

(a) Borrower has good, marketable, insurable and indefeasible fee simple title to the Project, subject to no Liens or other encumbrances except those contained in the ALTA Loan Policy issued to Agent in connection with the Loan and all of the encumbrances set forth therein are in full force and effect and there are no defaults thereunder.

(b) The Project complies with all applicable zoning ordinances and zoning approvals, including a special permit, zoning text amendments, zoning authorizations, and zoning certifications, for which final approvals were obtained from the City of New York on December 15, 2021. The Project will incorporate 312,370 square feet of floor area allowed "as of right" pursuant to the applicable zoning ordinances, together with 207,414 square feet of floor area transferred to the site in accordance with the zoning special permit and related agreements with the City of New York and 27,216 square feet of zoning floor area transferred to the site in accordance with a zoning certification, for a total zoning floor area for the Development Project of 547,000 square feet. There are no additional development rights required in order to construct the Development Project in accordance with Legal Requirements, provided that nothing in this **Section 6.14(b)** shall require Borrower to obtain any building or other permits required for the construction of the Development Project.

(c) The Project has adequate parking (if any) to comply with all applicable Legal Requirements.

Section 6.15 **Taxpayer I.D. Number**. Borrower's U.S. taxpayer identification number is 83-0781345.

Section 6.16 **Organization I.D. Number**. Borrower's organization identification

number is 6917141.

Section 6.17 **Intentionally Omitted**.

Section 6.18 **Legal Name**. Borrower's exact legal name, as that name appears on its Certificate of Formation, is as set forth on the first page hereof.

Section 6.19 **Use of Proceeds**. Borrower is borrowing the Loan for its own use and not as an agent for any third party and for only lawful purposes.

Section 6.20 **Survey**. The representations set forth in that certain Survey Affidavit and Indemnity executed by Borrower for the benefit of Stewart Title Insurance Company on or about the date hereof are true and correct.

Section 6.21 **Intentionally Omitted**.

Section 6.22 **Financial Statements**. All financial statements or certifications (as applicable) furnished to Agent or the Lenders by or on behalf of Borrower, any Affiliate of Borrower and Guarantor are true, correct and complete in all material respects as of the respective dates thereof and all other information previously furnished by or on behalf of Borrower, any Affiliate of Borrower and Guarantor to Agent or the Lenders in connection with the Loan are true, complete and correct in all material respects and do not fail to state any material fact necessary to make the statements made not misleading.

Section 6.23 **Financial Condition**. No Material Adverse Change has occurred since the date of the most recent financial statement and/or certification provided by each Loan Party to Agent. The Loan Parties are (and after giving effect to the transactions contemplated by this Agreement and the other Loan Documents will be) solvent.

ARTICLE 7

FINANCIAL REPORTING

Section 7.1 **Financial Statements**.

(a) Quarterly Reports. Within forty-five (45) days of the end of Borrower's fiscal quarter, Borrower shall furnish to Agent a current (as of the end of such three (3)-month period) financial statement for the quarterly period just ended. Within forty five (45) days of the end of Guarantor's fiscal quarter, Borrower shall cause Guarantor to furnish to Agent a current (as of the end of such three (3)-month period) financial statement for the quarterly period just ended. Notwithstanding the foregoing financial reporting requirements, if Guarantor is a publicly listed company, Agent shall obtain Guarantor's financial statements from its SEC filings.

(b) Annual Reports. Within one hundred twenty (120) days after the end of each calendar year, Borrower shall furnish to Agent a current (as of the end of such calendar year) balance sheet and a detailed operating statement stating Operating Revenues, Operating Expenses and Net Operating Income for Borrower. Within one hundred twenty (120) days after the end of each calendar year, Borrower shall cause Guarantor to furnish to Agent a current (as of the end of such calendar year) balance sheet and a detailed operating statement stating Operating Revenues, Operating Expenses and Net Operating Income for Guarantor. Each such annual financial statement provided by the Guarantor shall be audited and certified, without qualification, by an independent public accountant reasonably satisfactory to Agent.

(c) Appraisals. Quarterly, Borrower will provide an updated as-is valuation of the Project. For the avoidance of doubt, Guarantor will calculate an updated as-is value of the Project by selecting a third-party appraiser (who shall be proposed by Agent and subject to Guarantor's approval, which may not be unreasonably withheld) to provide an updated as-is valuation of the Project. Borrow will pay for all quarterly appraisals.

(d) Certification; Supporting Documentation. Each such report and financial statement shall be in scope and detail reasonably satisfactory to Agent and shall be accompanied

by a certificate of a duly authorized representative of Borrower, stating that such information is true, correct and complete and that, to the best of his or her knowledge, no Potential Default or Event of Default has occurred, or if a Potential Default or Event of Default has occurred, specifying the nature thereof and the action proposed to be taken with respect thereto.

Section 7.2 **Accounting Principles**. All financial statements shall be prepared in accordance with GAAP. If the financial statements are prepared on an accrual basis, such statements shall be accompanied by a reconciliation to cash basis accounting principles.

Section 7.3 **Other Information**. Borrower shall deliver, or cause to be delivered, to Agent such additional information regarding Borrower, its subsidiaries, its business, any Borrower Party, and the Project and the Development Project within thirty (30) days after Agent's request therefor. Borrower shall also furnish Agent with copies of all documents distributed or sent by it or Guarantor to its or Guarantor's shareholders, members, partners, investors, owners or creditors generally or any class of them at the same time as they are distributed or sent.

Section 7.4 **Intentionally deleted**.

Section 7.5 **Audits and Records**.

(a) Agent shall have the right to choose and appoint a certified public accountant to perform financial audits as it deems necessary, at Borrower's expense. Borrower shall permit Agent and any Lender(s) to examine such records, books and papers of Borrower which reflect upon its financial condition and the income and expense relative to the Project and the Development Project;

(b) At any time during regular business hours upon prior notice, Borrower shall permit Agent, Lender(s) and/or any of their respective agents or representatives (including any auditor chosen by Agent) to have access to, and to examine, all of Borrower's and Guarantor's books and records, including, without limitation, those relating to the ownership, development, management, leasing and/or operation of the Project;

(c) Borrower shall permit Agent and any Lender(s) to copy and make abstracts from any and all of Borrower's and Guarantor's books and records relating to the Project; and

(d) Borrower shall annually, upon thirty (30) days' prior written notice (unless during an Event of Default, whereby such thirty (30) days' prior written notice shall not be required), cause Guarantor to allow representatives of Agent and any Lender(s) to inspect its financial records at Guarantor's office (but in no event shall such representatives be entitled to inspect tax related documents), and to supply Agent and/or any such Lender(s) with such factual information as it and/or they may request in order to develop a schedule of Guarantor's assets, liabilities, liquid net worth, cash flow, and contingent liabilities. Guarantor shall supply such certifications with respect thereto as may be reasonably requested by Agent and/or any such Lender(s).

Section 7.6 **Annual Ownership Report**. Within one hundred twenty (120) days after the end of each calendar year, Borrower shall deliver to Agent a certification that the then-current organizational chart of Borrower, which shall be attached to such certification, is true, correct and complete.

Section 7.7 **Electronic Submissions**. Subject to **Section 11.1** as to any approval, consent, demand, notice or, request, any budgets, reports, statements, rent rolls (which shall contain at least the following information: rent roll date, tenant name, suite or unit identification, type of space, rentable square foot area, base rent per rentable square foot, annual base rent, expense reimbursements, lease commencement date, rent commencement date and lease expiration date), leasing reports, sales reports and/or other information required to be submitted by Borrower or its agents, contractors or employees to Agent under this Agreement shall be delivered electronically via email in PDF format (and, with respect to rent rolls, in Excel format) to Agent at the email address from time to time to be designated by the relevant loan officer of Agent.

ARTICLE 8

COVENANTS

Borrower covenants and agrees with Agent and the Lenders as follows:

Section 8.1 **Due on Sale and Encumbrance; Transfers of Interests**.

(a) Without the prior approval of Agent, which may be withheld in its sole and absolute discretion, the Loan shall become due and payable upon the occurrence of any Transfer (other than a Permitted Transfer).

(b) Without limiting the foregoing, except with respect to Permitted Transfers (for which the consent of Agent shall not be required):

(i) neither Borrower nor any other Person having a direct or indirect legal, beneficial or record ownership or economic interest in Borrower shall (a) directly or indirectly Transfer all or any portion of its, his or her interest in the Project, the Development Project or any part thereof (including any ownership or economic interest in Borrower); (b) further encumber, alienate, grant a Lien or grant any other interest in the Project or any part thereof (including any ownership or economic interest in Borrower), whether voluntarily or involuntarily; or (c) enter into any easement or other agreement granting rights in or restricting the use or development of the Project or the Development Project, subject to Agent's prior written consent (not to be unreasonably withheld in the case of subpart (c)); and

(ii) no new general partner, limited partner, manager or member having the ability to control the affairs of Borrower shall be admitted to or created in Borrower (nor shall any existing general partner, controlling limited partner, manager, managing member or controlling member withdraw from Borrower), and no change in

Borrower's organizational documents relating to control over Borrower, the Project and/or the Development Project shall be effected.

With respect to any and all Transfer(s), promptly upon any Loan Party having knowledge of the same, (A) if such Transfer is of twenty-five percent (25%) or more of the direct or indirect interests in Borrower (or such lesser percentage as may be required from time to time under applicable Legal Requirements) and was to an ultimate beneficial owner that is domiciled in the U.S. and was not a holder of at least twenty-five percent (25%) of such interests prior to the Transfer, or (B) if such Transfer is of ten percent (10%) or more of the direct or indirect interests in Borrower (or such lesser percentage as may be required from time to time under applicable Legal Requirements) and was to an ultimate beneficial owner that is not domiciled in the U.S. and was not a holder of at least ten percent (10%) of such interests prior to the Transfer, then in either case, Borrower shall provide Agent with (a) prior notice of such Transfer, (b) sufficient information about the transferee so that Agent and the Lenders may fulfill their "know your customer" requirements (which, by way of example, may include the receipt and review of copies of operating agreements, by-laws, partnership agreements, articles of incorporation, articles of organization, certificates of formation, certificates of good standing, W-9 forms, updated organizational charts, valid governmental forms of identification and such other information or documentation reasonably required by Agent and the Lenders with respect to such "know your customer" requirements) and (c) such other information or documentation reasonably required by Agent and the Lenders from time to time with respect to such "know your customer" requirements, and such Permitted Transfer shall be conditioned upon Agent's confirmation (which confirmation shall not be unreasonably delayed) that such transferee is neither an Embargoed Person, a Prohibited Person or a restricted person described in **Article 13**, failing which such proposed Permitted Transfer shall be void *ab initio*. Notwithstanding anything herein to the contrary, in no event shall the reporting requirements described in this **Section 8.1** apply to Transfers occurring by shareholders at the public company level.

As used in this **Section 8.1**, "**Transfer**" shall include (X) the sale, transfer, conveyance, grant, mortgage, pledge, hypothecation, lease, license, declaration of trust, assignment or other disposal of a legal or beneficial ownership or economic interest in (i) the Project, (ii) the Development Project, (iii) any partnership interest or any membership interest in any general partner of Borrower that is a partnership or a limited liability company, as the case may be, (iv) any membership interest or any partnership interest in any manager or managing member of Borrower that is a limited liability company or partnership, as the case may be, and (v) any voting stock in any general partner, manager or managing member of Borrower that is a corporation, and (Y) any division of a limited liability company into multiple entities or series pursuant to Section 18-217 of the Delaware Limited Liability Company Act, as amended, with allocation of any of the collateral for the Loan to any such entity or series; "Transfer" shall not include the leasing of individual units within the Project so long as Borrower complies with the provisions of the Loan Documents relating to such leasing activity.

(c) Nothing contained in **Section 8.1(a)** shall limit the prohibitions contained in **Article 13**, nor shall any Transfer involve a Person (i) with whom Agent or any Lender is adverse in any pending litigation or arbitration, (ii) who is not in good standing in their state of organization, (iii) with whom Agent is prohibited (either by Legal Requirements or internal

directives of Agent or any Lender) from conducting business, or (iv) is an Embargoed Person or a Prohibited Person. In connection with any Transfer hereunder, Borrower and any transferee shall cooperate and comply (at Borrower's or such transferee's expense) with all necessary "know your customer" or other similar checks under all Legal Requirements applicable to Agent and the Lenders.

(d) Notwithstanding anything in **Sections 8.1(a)** and/or **8.1(b)** or the definition of "Permitted Transfer" to the contrary, there shall be no change in the day-to-day control, management and advisory service of Borrower and Borrower's managing member, manager or general partner, as the case may be.

Section 8.2 **Taxes; Charges**. Borrower shall pay before any fine, penalty, interest or cost may be added thereto, and shall not enter into any agreement to defer, any real estate taxes and assessments, franchise taxes and charges, and other governmental charges that may become a Lien upon the Project or become payable during the term of the Loan, and will promptly furnish Agent with evidence of such payment. Borrower shall not suffer or permit the joint assessment of the Project with any other real property constituting a separate tax lot or with any other real or personal property. Borrower shall pay when due all claims and demands of mechanics, materialmen, laborers and others which, if unpaid, might result in a Lien on the Project; however, Borrower may contest the validity of such claims and demands so long as (a) Borrower notifies Agent that it intends to contest such claim or demand, (b) Borrower provides Agent with an indemnity, bond or other security satisfactory to Agent (including an endorsement to Agent's title insurance policy insuring against such claim or demand) assuring the discharge of Borrower's obligations for such claims and demands, including interest and penalties, and (c) Borrower is diligently contesting the same by appropriate legal proceedings in good faith and at its own expense and concludes such contest prior to the tenth (10th) day preceding the earlier to occur of the Maturity Date or the date on which the Project is scheduled to be sold for non-payment.

Section 8.3 **Property Management**.

(a) Borrower shall not execute any property management agreement, terminate, replace or appoint any property manager, or terminate or amend any management agreement without Agent's reasonable prior approval. Any change in ownership or control of the property manager shall be cause for Agent to re-approve such property manager and management agreement, as applicable. Any property manager shall hold and maintain all necessary licenses, certifications and permits required by law. Borrower shall fully perform all of its covenants, agreements and obligations under any management agreement. Without Agent's reasonable prior approval, no management fee payable to a property manager may exceed three percent (3%) of Operating Revenues. Agent's approval of any property manager shall be subject to such property manager's execution and delivery to Agent of a collateral assignment of all management agreements to Agent, for the ratable benefit of the Lenders, and subordination of all applicable management fees, pursuant to an agreement in form and substance reasonably acceptable to Agent.

(b) Intentionally omitted.

Section 8.4 **Operation; Maintenance; Inspection; Alterations**.

(a) Borrower shall observe and comply with all Legal Requirements applicable to the ownership, use and operation of the Project and the Development Project. Borrower shall not initiate or consent to any zoning reclassification of any portion of the Project or seek any variance under any existing zoning ordinance or use or permit the use of any portion of the Project in any manner that could reasonably be expected to result in such use becoming a non-conforming use under any zoning ordinance or any other applicable Legal Requirements without the prior written consent of Agent. Borrower shall maintain the Project in good condition and promptly repair any damage or casualty. Borrower shall permit Agent and its agents, representatives and employees, upon reasonable prior notice to Borrower, to inspect the Project and conduct such environmental and engineering studies as Agent may require, provided such inspections and studies do not materially interfere with the use and operation of the Project.

(b) Borrower shall obtain Agent's prior consent to any alterations of any portion of the Project. Notwithstanding the foregoing, Agent's prior consent for an alteration shall not be required unless the estimated cost thereof exceeds $200,000.00 (the "**Alterations Threshold**"). No approval shall be required for (and the above-specified Alterations Threshold shall exclude) alterations (i) required by applicable Legal Requirements, (ii) pursuant to any Lease existing as of the date hereof, (iii) that are non-structural, such as carpeting or painting or (iv) that are incurred in connection with the remediation of the environmental condition of the Project as required by the BCA.

(c) Any request for Agent's prior consent to an alteration that is required under this Agreement shall be delivered to Agent together with all materials reasonably determined by Borrower to be necessary for Agent to evaluate such request. If Agent does not notify Borrower of its disapproval of a proposed alteration (with reasonably detailed reasons therefor) within ten (10) Business Days after request by Borrower, then the same shall be deemed approved. Borrower shall promptly reimburse Agent for its costs and expenses reasonably incurred in reviewing any such request.

(d) Borrower shall not permit any reservations, exceptions, encroachments, easements, rights of way, covenants, conditions, restrictions or other title exceptions or encumbrances to affect the Project or the Development Project, subject to Borrower's contest rights permitted by this Agreement.

Section 8.5 **Taxes on Security**. Borrower shall pay all taxes, charges, filing, registration and recording fees, excises and levies payable with respect to the Note or the Liens created or secured by the Loan Documents, other than Taxes imposed on (or measured by) net income (however denominated), franchise Taxes, and branch profits or similar Taxes imposed on Agent or the Lenders (in the case of Taxes, to the extent set forth in **Section 2.5**). If there shall be enacted any Legal Requirements (1) deducting the Loan from the value of the Project for the purpose of taxation, (2) affecting any Lien on the Project, or (3) changing existing Legal Requirements of taxation of mortgages, deeds of trust, security deeds, or debts secured by real property, or changing the manner of collecting any such taxes, Borrower shall promptly pay to Agent, on demand, all taxes, costs and charges for which Agent is or may be liable as a result

thereof and, in the case of Taxes, to the extent set forth in **Section 2.5**, that (i) this **Section 8.5** shall not apply to Taxes imposed on (or measured by) net income (however denominated), franchise Taxes, and branch profits or similar Taxes imposed on Agent or the Lenders and (ii) if such payment would be prohibited by Legal Requirements or would render the Loan usurious, then instead of collecting such payment, Agent may declare all amounts owing under the Loan Documents to be immediately due and payable.

Section 8.6 **Legal Existence; Name; Organizational Documents**.

(a) Borrower, Guarantor, and each general partner, manager or managing member, as the case may be, in Borrower shall preserve and keep in full force and effect its entity status, franchises, rights and privileges under the Legal Requirements of the state of its formation and in every state in which it does business, and all qualifications, licenses and permits applicable to the ownership, use and operation of the Project. Neither Borrower, Guarantor, nor any general partner, manager or managing member, as the case may be, of Borrower shall (i) wind up, liquidate, dissolve, reorganize, merge, or consolidate with or into, or convey, sell, assign, transfer, lease, or otherwise dispose of all or substantially all of its assets to, or acquire all or substantially all of the assets of the business of, any Person, or permit any subsidiary of Borrower or a Borrower Party to do so, or (ii) divide into multiple entities or series pursuant to Section 18-217 of the Delaware Limited Liability Act, as amended, or otherwise.

(b) Borrower and each general partner, manager or managing member, as the case may be, in Borrower shall conduct business only in its own name and shall not change its name, identity, or organizational structure, or the location of its chief executive office or principal place of business unless Borrower (i) shall have obtained the prior consent of Agent to such change, and (ii) shall have taken all actions necessary or requested by Agent to file or amend any financing statement or continuation statement to assure perfection and continuation of perfection of security interests under the Loan Documents.

(c) Borrower shall not, nor shall it permit any general partner, manager or managing member, as the case may be, of Borrower, if any, to, amend Borrower's organizational documents without the prior consent of Agent, and Borrower shall maintain its separateness as an entity, including maintaining separate books, records, and accounts and observing corporate and partnership formalities independent of any other entity, shall pay its obligations with its own funds and shall not commingle funds or assets with those of any other entity.

Section 8.7 **Affiliate Transactions**. Without the prior consent of Agent, Borrower shall not engage in any transaction affecting the Project or the Development Project with an Affiliate of Borrower. Agent acknowledges and hereby approves the addition of development rights pursuant to the Uniform Land Use Review Procedure process for the Project, so long as such process is in compliance with Legal Requirements.

Section 8.8 **Limitation on Other Debt**. Borrower (and each general partner in Borrower, if any) shall not, without the prior consent of Agent, incur any Debt other than the Loan, and customary trade payables which are payable, and shall be paid, within thirty (30) days of when incurred.

Section 8.9 **Further Assurances**. Borrower shall promptly (1) cure any defects in the execution and delivery of the Loan Documents, and (2) execute and deliver, or cause to be executed and delivered, all such other documents, agreements and instruments as Agent may reasonably request to further evidence and more fully describe the collateral for the Loan, to correct any omissions in the Loan Documents, to perfect, protect or preserve any Liens created under any of the Loan Documents, or to make any recordings, file any notices, or obtain any consents, as may be necessary or appropriate in connection therewith and to consummate fully the transaction contemplated under this Agreement and the other Loan Documents.

Section 8.10 **Estoppel Certificates**.

(a) Borrower, within ten (10) days after request, shall furnish to Agent a statement, duly acknowledged, setting forth the amount due on the Loan, the terms of payment of the Loan, the date to which interest has been paid, whether any offsets or defenses exist against the Loan and, if any are alleged to exist, the nature thereof in detail, and stating that no Potential Default or Event of Default has occurred, or if a Potential Default or an Event of Default has occurred, specifying the nature thereof and the action proposed to be taken with respect thereto, and such other matters as Agent reasonably may request.

(b) Borrower, within ten (10) days after request, shall furnish to Agent a statement, duly acknowledged, indicating any changes to the accuracy of the representations contained in **Section 4.1** and/or in **Article 6**.

Section 8.11 **Notice of Certain Events**. Borrower shall promptly notify Agent of (1) any Potential Default or Event of Default, together with a detailed statement of the steps being taken to cure such Potential Default or Event of Default; (2) any notice of default received by Borrower under other obligations relating to the Project or otherwise material to Borrower's business; (3) threatened or pending legal, judicial or regulatory proceedings, including any dispute between Borrower and any Governmental Authority, affecting Borrower, the Project or the Development Project; and (4) any event or circumstance resulting in, or which would reasonably be expected to result in, a material adverse effect on Borrower, Guarantor or the Project.

Section 8.12 **Indemnification**. Borrower shall defend, indemnify and hold harmless Agent and the Lenders and their respective directors, officers, employees, attorneys, agents, successors and assigns from and against any and all deficiencies, losses, liabilities, claims, damages, expenses, obligations, penalties, actions, judgments, awards, suits, costs or disbursements of any kind or nature whatsoever, including reasonable attorneys' fees and expenses, in connection with (1) any inspection, review or testing of or with respect to the Project, (2) any investigative, administrative, mediation, arbitration, or judicial proceeding, whether or not Agent or the Lenders are designated a party thereto, commenced or threatened at any time (including after the repayment of the Loan) in any way related to the execution, delivery or performance of any Loan Document, the Project or to the Development Project, (3) any proceeding instituted by any Person claiming a Lien, and (4) any brokerage commissions or finder's fees claimed by any broker or other party in connection with the Loan, the Project, the Development Project or any of the transactions contemplated in the Loan Documents, including,

without limitation, those arising from the joint, concurrent, or comparative negligence of Agent, except to the extent any of the foregoing is caused by Agent's or any Lender's gross negligence or willful misconduct; provided, that, Borrower's indemnification obligations to Agent and the Lenders pursuant to this **Section 8.12** shall continue in full force and effect with respect to each other Lender that did not commit the gross negligence or willful misconduct. Borrower shall have no liability under this **Section 8.12(i)** for Taxes imposed on (or measured by) net income (however denominated), franchise Taxes, and branch profits or similar Taxes imposed on Agent or the Lenders, other than any such Taxes relating to indemnification for amounts other than such Taxes, and (ii) in connection with any litigation or other dispute between Agent and one or more of the Lenders and/or between any Lender and any other Lender.

Section 8.13 **Compliance With Legal Requirements**. Borrower shall fully, faithfully and punctually comply (and shall cause all lessees and other Persons that occupy or enter upon the Project at all times so to comply) with all (1) Legal Requirements of any Governmental Authority having jurisdiction over Borrower, the Project, or the Development Project now or hereafter in effect (including any of the foregoing that heretofore have been promulgated but which are not yet in effect), in each instance as modified, amended, renewed and/or extended, which are applicable to Borrower, to the Project or the Development Project or any portion thereof, to the use, manner of use, occupancy, possession, condition, operation, maintenance, alteration, repair, replacement, or restoration of the Project or the Development Project or any portion thereof or to the conduct of Borrower's business at the Project ("**Requirements**"), including, without limitation, Requirements that, if violated, would cause the Project, the Development Project or a part thereof to be subject to forfeiture. Notwithstanding the foregoing, Borrower may contest the validity of such Requirements so long as (a) Borrower notifies Agent that it intends to contest the same, (b) Borrower is diligently contesting the same by appropriate legal proceedings in good faith and at its own expense, and (c) such contest will not subject Borrower, any Borrower Party, the Project or the Development Project to any potential civil or criminal liability.

Section 8.14 **Single Purpose Covenants**.

(a) Borrower shall at all times be a Single Purpose Entity. For the purpose of this Agreement a "**Single Purpose Entity**" means a Person which shall at all times: (i) exist solely for the purpose of, and not engage in any business or activity other than, the owning, operating, financing, leasing and otherwise dealing with the Project, the Development Project, and activities incidental thereto; (ii) not acquire or own any assets other than the Project and such incidental personal property as may be necessary for the ownership and operation thereof; (iii) not incur any indebtedness, secured or unsecured, direct or contingent (including guaranteeing any obligation) other than as expressly permitted by this Agreement; (iv) maintain its books and records separate from any other Person; (v) maintain its bank accounts separate from any other Person; (vi) conduct business in its own name; (vii) hold all of its assets in its own name and not commingle its assets with those of any other Person and not permit any Affiliate or constituent party independent access to its bank accounts; (viii) maintain its financial statements, accounting records and other entity documents separate from any other Person; (ix) intend to remain solvent or pay its own liabilities and expenses (including, without limitation, salaries of its own employees) only out of its own funds; provided, however, that the foregoing shall not require

Borrower's members, partners or shareholders to make additional capital contributions to Borrower; (x) observe all organizational formalities necessary to maintain its separate existence, and preserve its existence as an entity duly organized, validly existing and in good standing (if applicable) under the applicable Legal Requirements of the jurisdiction of its organization or formation provided, however, that the foregoing shall not require Borrower's members, partners or shareholders to make additional capital contributions to Borrower; (xi) except for capital contributions or capital distributions permitted under the terms and conditions of Borrower's organizational documents and properly reflected on its books and records, not enter into or be party to any transaction with its partners, members, stockholders or Affiliates except in the ordinary course of its business and on terms and conditions that are intrinsically fair, commercially reasonable and are no less favorable to Borrower than would be obtained in a comparable arms-length transaction with an unaffiliated third party; (xii) maintain a sufficient number of employees in light of its contemplated business operations; (xiii) not guarantee or become obligated for the debts of any other Person; (xiv) not (1) hold out its credit as being available to satisfy the obligations of any other Person or otherwise pledge its assets to secure the obligations of any other Person or (2) hold out its credit or assets as being available to satisfy the obligations of any other Person or (3) make any loans or advances to any Person, or (4) own any stock or securities of, any Person, or (5) buy or hold evidence of indebtedness issued by any other Person or (6) with respect to Borrower, own any subsidiary, or make any investment in, in any Person; (xv) not acquire obligations or securities of its partners, members, stockholders or other Affiliates, as applicable; (xvi) allocate fairly and reasonably any shared expenses (including, without limitation, office space and services performed by an employee of an Affiliate) with any other Person; (xvii) use separate stationery, invoices, and checks bearing its own name; (xviii) not pledge its assets for the benefit of any other Person or make any loans or advances to any Person; (xix) hold itself out as a separate and distinct entity under its own name and not as a division or part of any Person; (xx) correct any known misunderstanding regarding its separate and distinct identity; (xxi) intend to maintain adequate capital in light of its contemplated business obligations; provided, however, that the foregoing shall not require Borrower's members, partners or shareholders to make additional capital contributions to Borrower; (xxii) (1) comply in all respects with the provisions of its organizational documents and (2) not amend, modify, terminate or fail to comply with the provisions of its organizational documents, in each case without the prior written consent of Agent; (xxiii) not, to the fullest extent permitted by Legal Requirements, (1) dissolve or liquidate or consolidate or terminate or transfer or otherwise dispose of all or substantially all of its assets or change its legal structure or merge with or into any other entity in whole or in part, or (2) divide into multiple entities or series pursuant to Section 18-217 of the Delaware Limited Liability Company Act, as amended, or otherwise, or (3) take any Material Action or action that might reasonably be expected to cause such entity to become insolvent, in each case, without the unanimous written consent of all of its partners or members, as applicable, and the written consent of all directors or managers of Borrower, including, without limitation, the Independent Director; (xxiv) maintain its assets in such a manner that it will not be costly or difficult to segregate, ascertain or identify its individual assets from those of any other Person; (xxv) not fail to (1) file its own tax returns separate from those of any other Person, except to the extent that Borrower is treated as a "disregarded entity" or part of a consolidated (or combined) group for tax purposes and is not required to file its own tax returns under applicable Legal Requirements and (2) pay any taxes

required to be paid under applicable Legal Requirements; provided, however, that Borrower shall not have any obligation to reimburse its equityholders or their Affiliates for any taxes that such equityholders or their Affiliates may incur as a result of any profits or losses of Borrower (for the avoidance of doubt, the foregoing does not apply to property taxes); (xxvi) not have any of its obligations guaranteed by an Affiliate, except as contemplated by the Loan Documents; (xxvii) not identify itself as a department or division of any other Person; (xxviii) with respect to Borrower's sole member, cause Borrower to comply with the provisions of this **Section 8.14**; and (xxix) with respect to Borrower, have organizational documents that provide that (1) upon the occurrence of any event that causes the last remaining member of Borrower ("**Member**") to cease to be the member of Borrower (other than (x) upon an assignment by Member of all of its limited liability company interest in Borrower and the admission of the transferee in accordance with the Loan Documents and Borrower's operating agreement, or (y) the resignation of Member and the admission of an additional member of Borrower in accordance with the terms of the Loan Documents and Borrower's operating agreement), the personal representative of Member shall, within ninety (90) days, agree in writing to continue the existence of Borrower and to the admission of such personal representative or its nominee or designee, as the case may be, as a substitute member of Borrower, effective as of the occurrence of the event that caused Member to cease to be a member of Borrower, and any Person acting as the Independent Director of Borrower shall, without any action of any other Person and simultaneously with the Member ceasing to be the member of Borrower, automatically be admitted to Borrower ("**Special Member**") and shall continue Borrower's existence without dissolution and (2) Special Member may not resign from Borrower or transfer its rights as Special Member or be removed as Special Member unless (x) a successor Special Member has been admitted to Borrower as Special Member in accordance with requirements of Delaware law and (y) such successor Special Member has also accepted its appointment as the Independent Director. Borrower's organizational documents shall further provide that (v) Special Member shall automatically cease to be a member of Borrower upon the admission to Borrower of a substitute Member, (w) Special Member shall be a member of Borrower that has no interest in the profits, losses and capital of Borrower and has no right to receive any distributions of Borrower assets, (x) pursuant to Section 18-301 of the Delaware Limited Liability Company Act, as amended, modified, replaced and/or supplemented from time to time (the "**Act**"), Special Member shall not be required to make any capital contributions to Borrower and shall not receive a limited liability company interest in Borrower, (y) Special Member, in its capacity as Special Member, may not bind Borrower and (z) except as required by any mandatory provision of the Act, Special Member, in its capacity as Special Member, shall have no right to vote on, approve or otherwise consent to any action by, or matter relating to, Borrower, including, without limitation, the merger, consolidation or conversion of Borrower; provided, however, such prohibition shall not limit the obligations of Special Member, in its capacity as Independent Director, to vote on such matters required by Borrower's operating agreement. In order to implement the admission to Borrower of Special Member, Special Member shall execute a counterpart to Borrower's operating agreement. Prior to its admission to Borrower as Special Member, Special Member shall not be a member of Borrower. Neither Borrower nor any member or Affiliate of Borrower may remove an Independent Director or Special Member without Agent's prior consent. Any action initiated by or brought against Member or Special Member under any Creditors Rights Law shall not cause Member or Special Member to cease to be a member of Borrower and upon

the occurrence of such an event, the existence of Borrower shall continue without dissolution. Borrower's operating agreement shall also provide that each of Member and Special Member waives any right it might have to agree in writing to dissolve Borrower upon the occurrence of any action initiated by or brought against Member or Special Member under any Creditors Rights Law, or the occurrence of an event that causes Member or Special Member to cease to be a member of Borrower. The organizational documents of Borrower shall provide an express acknowledgment that Agent is an intended third party beneficiary of the "special purpose" provisions of such organizational documents. For the avoidance of doubt, compliance with the immediately preceding six sentences shall also comprise elements of the definition of "**Single Purpose Entity**."

(b) The organizational documents of Borrower (where Borrower is a corporation or a single member limited liability company formed under the Act) shall include the following provisions: (i) at all times there shall be, and Borrower shall cause there to be, at least one (1) Independent Director; (ii) the board of directors or managers of Borrower shall not take any Material Action which, under the terms of any certificate of incorporation, by laws, voting trust agreement with respect to any common stock, articles of organization or operating agreement requires unanimous vote of the board of directors or managers of Borrower unless at the time of such action there shall be at least one member of the board of directors or managers who is an Independent Director; (iii) Borrower shall not, without the unanimous written consent of its board of directors or managers, including the Independent Director, on behalf of itself or Borrower, as the case may be, take any Material Action or any action that might reasonably be expected to cause such entity to become insolvent, and when voting with respect to such matters, the Independent Director shall, to the fullest extent permitted by law, including Section 18-1101(c) of the Act, and notwithstanding any duty otherwise existing at law or in equity, consider only the interests of Borrower (including its creditors and Borrower's sole member solely to the extent of their respective economic interests in the Borrower) in acting or otherwise voting on Material Action. Except for its duties to Borrower with respect to voting on matters as set forth immediately above, including duties to the constituent equity owners of Borrower and Borrower's sole member solely to the extent of their respective economic interests in Borrower but excluding (1) all other interests of such constituent equity owners, (2) the interests of other affiliates of Borrower, and (3) the interests of any group of affiliates of which Borrower and/or Borrower's sole member are a part), the Independent Director shall not have any duties (including fiduciary duties) to the Borrower, Borrower's sole member, or any partner, shareholders, other equity holder or other party in interest of Borrower's sole member, any officer or any other Person; provided, however, the foregoing shall not eliminate the implied contractual covenant of good faith and fair dealing; and (iv) no Independent Director of Borrower may be removed or replaced other than as a result of an Independent Director Event, and any such removal or replacement shall not occur unless Borrower or Borrower's sole member provides Agent with not less than five (5) Business Days' prior written notice of (1) any proposed removal of an Independent Director, together with a statement as to the reasons for such removal, and (2) the identity of the proposed replacement Independent Director, together with a certification that such replacement satisfies the requirements set forth in the organizational documents for an Independent Director; provided, however, no resignation or removal of an

Independent Director shall be effective until a successor Independent Director is appointed and has accepted his or her appointment.

Section 8.15 **Cooperation**. Borrower acknowledges that, subject to **Section 11.9**, the Lenders and their successors and assigns may without notice to or consent from Borrower (a) sell this Agreement, the Mortgage, the Note, the other Loan Documents, and any and all servicing rights thereto to one or more investors as a whole loan, (b) participate the Loan to one or more investors, (c) deposit this Agreement, the Note and the other Loan Documents with a trust, which trust may sell certificates to investors evidencing an ownership interest in the trust assets, or (d) otherwise sell the Loan or interests therein to investors (the transactions referred to in clauses (a) through (d) are hereinafter each referred to as a "**Secondary Market Transaction**"). Borrower shall cooperate with Agent and the Lenders in effecting any such Secondary Market Transaction and shall cooperate to implement all requirements imposed by any rating agency involved in any Secondary Market Transaction. Borrower shall bear no additional cost in connection with any Secondary Market Transaction other than Borrower's own attorneys' fees and costs, if any, incurred in connection therewith. Borrower shall provide such information and documents relating to Borrower and the Project as Agent may reasonably request in connection with such Secondary Market Transaction, together with such opinion(s) of counsel as Agent may reasonably request. In addition, Borrower shall make available to Agent all information concerning its business and operations that Agent may reasonably request. Agent shall be permitted to share all such information with the investment banking firms, rating agencies, accounting firms, law firms and other third-party advisory firms involved with the Loan and the Loan Documents or the applicable Secondary Market Transaction. It is understood that the information provided by Borrower to Agent may ultimately be incorporated into the offering documents for the Secondary Market Transaction and thus various investors may also see some or all of the information. Agent and all of the aforesaid third-party advisors and professional firms shall be entitled to rely on the information supplied by or on behalf of Borrower. Borrower also agrees to execute any amendment of or supplement to this Agreement and the other Loan Documents as Agent may reasonably request in connection with any Secondary Market Transaction, provided that such amendment or supplement does not change any of the economic terms of the Loan or materially increase Borrower's non-monetary Obligations or materially diminish Borrower's rights under this Agreement and the other Loan Documents.

Section 8.16 **Intentionally Omitted**.

Section 8.17 **Intentionally Omitted**.

Section 8.18 **Financial Covenants**. Borrower shall cause Guarantor to maintain throughout the term of the Loan (a) a consolidated net worth of not less than $500,000,000.00 as measured by the total equity reflected on the balance sheet of Guarantor's audited financial statements or unaudited quarterly financial disclosure and (b) minimum liquidity of $75,000,000.00 (consisting only of available cash and cash equivalents). Notwithstanding the foregoing, if the Supreme Court of the State of New York, Appellate Division issues an order or decision granting plaintiff's motion for re-argument or, alternatively, for leave to appeal to the Court of Appeals of the State of New York of that certain Decision and Order of the Supreme Court of the State of New York, Appellate Division entered on or about June 6, 2023

("**Land Use Litigation Appellate Order**") in the case captioned, "In the Matter of the Application of South Street Seaport Coalition, Inc., Linda Hellstrom, John Hellstrom, Zette Emmons, and Colleen Robertson," Case No. 2023-00268, Index No. 156106/2022 (the "**Land Use Litigation**"), or if the Court of Appeals of the State of New York issues an order or decision granting plaintiff's motion for leave to appeal the Land Use Litigation Appellate Order to the Court of Appeals of the State of New York, the minimum liquidity required by Guarantor shall increase to $80,000,000.00 on the date of such order or decision. If the Land Use Litigation and/or the related Land Use Litigation Appellate Order is adversely decided against Borrower by the Supreme Court of the State of New York, Appellate Division or the Court of Appeals of the State of New York, the minimum liquidity required by Guarantor shall increase to $95,000,000.00 on the date of such order or decision. The foregoing financial requirements and covenants imposed upon Guarantor are referred to in this Agreement as the "**Financial Covenants**."

Section 8.19 **The Remediation Work**.

(a) Generally. Except as otherwise expressly set forth in this **Section 8.19**, while any Obligations are outstanding, Borrower shall not commence, undertake and/or perform any demolition or excavation of the existing improvements, environmental remediation of the Project or the construction or development of any improvements at the Project or the Development Project without first obtaining the prior written consent of Agent, which consent shall be given or withheld in Agent's sole and absolute discretion. Notwithstanding the foregoing, upon satisfaction of the following conditions, Borrower shall be permitted to perform the remediation work pursuant to the New York State Brownfield Cleanup Program (the foregoing, hereinafter the "**Remediation Work**"):

(i) No Potential Default or Event of Default shall have occurred and be continuing;

(ii) Borrower shall have delivered to Agent evidence reasonably satisfactory to Agent that there are sufficient funds available for the estimated costs of the proposed Remediation Work, as determined by Agent (which estimation shall be conclusive so long as such estimation is made in good faith); and

(iii) Borrower shall have delivered to Agent and Agent shall have approved (such approval not to be unreasonably withheld, conditioned or delayed) each of the following with respect to the Remediation Work (collectively, the "**Remediation Work Documents**"): (A) each of the architectural, development, construction, general contractor, sub-contractor, construction manager and supply contracts and agreements entered into or to be entered into by or on behalf of Borrower in connection with the Remediation Work, (B) the Plans and Specifications for such Remediation Work, (C) a construction schedule of the Remediation Work, and (D) a budget for such Remediation Work.

Agent hereby acknowledges that, for the purposes of the Loan, the conditions contained in Sections 8.19(a)(ii) and 8.19(a)(iii) have been met as of the date hereof.

(b) Performance of Remediation Work. Borrower hereby covenants and agrees that if Borrower is permitted to commence the Remediation Work in accordance with **Section 8.19(a)**, Borrower shall carry out the Remediation Work in all material respects in accordance with the Remediation Work Documents, which have been approved by Agent pursuant to **Section 8.19(a)**. Borrower shall perform the Remediation Work in accordance with all applicable Legal Requirements in all material respects, including without limitation, all Environmental Laws, and in accordance with all obligations of Borrower under **Article 4** of this Agreement and under the Indemnity Agreement.

(c) Additional Covenants.

(i) Borrower shall not be permitted to enter into any new Remediation Work Documents in connection with the Remediation Work without the prior approval of Agent (such approval not to be unreasonably withheld, conditioned or delayed). Borrower shall not be permitted to replace, amend in any material respect, modify in any material respect, terminate or supplement in any material respect any Remediation Work Document without Agent's prior consent, except that Borrower may terminate a Remediation Work Document in connection with the default by a counterparty thereunder provided such termination does not require Borrower to pay any termination fee or other similar amount.

(ii) Borrower shall (A) promptly perform and/or observe, in all material respects, all of the covenants and agreements required to be performed and observed by it under each Remediation Work Document to which it is a party, and do all things necessary to preserve and to keep unimpaired its material rights thereunder, (B) promptly notify Agent in writing of the giving of any notice of any default by any party under any Remediation Work Document of which it is aware, and (C) enforce the performance and observance of all of the covenants and agreements required to be performed and/or observed by the other party under each Remediation Work Document to which it is a party in a commercially reasonable manner.

(iii) Each Remediation Work Document shall be entered into by Borrower and shall to the extent permitted by applicable Legal Requirements, permit, by its terms, (A) the pledge and/or collateral assignment of such agreement to Agent, for the benefit of the Lenders, as collateral for the Loan and the transfer of such agreement to a subsequent owner of the Project, and (B) Agent to exercise remedies and foreclose or otherwise realize upon such pledge and/or collateral assignment.

(iv) If requested by Agent, Borrower shall promptly execute, acknowledge and deliver to Agent a pledge or collateral assignment of all of Borrower's right, title and interest in and to such Remediation Work Documents; and

(v) Borrower shall pay all out-of-pocket costs, fees and expenses (including reasonable attorneys' fees, disbursements and expenses of outside counsel) actually incurred by Agent and Construction Consultant pertaining to Borrower's compliance with this **Section 8.19**.

Section 8.20 **Accounts**.

(a) Borrower represents, warrants and covenants that there are and shall be no deposit, securities or similar accounts (other than the Accounts) maintained by Borrower or any other Person with respect to the Project or the Development Project.

(b) Borrower agrees that, until the Obligations are indefeasibly satisfied in full, neither Borrower nor any other Person shall open any accounts for the operations of the Project except for the Accounts and any other accounts approved by Agent in its reasonable discretion. The foregoing shall not prohibit Borrower from opening, maintaining and utilizing one or more separate accounts for the disbursement or retention of funds that have been transferred to Borrower to the extent permitted under this Agreement and the other Loan Documents and provided that, prior to the use of such separate accounts, Borrower pledges and grants to Agent for the benefit of Lenders a security interest in all such funds and accounts as additional security for the Loan and enters into a control agreement(s) evidencing and/or securing such pledge as Agent shall require.

(c) Borrower hereby pledges and grants to Agent for the benefit of Lenders a security interest in the Accounts and in all such funds and accounts as additional security for the Obligations and shall enter into such control agreement(s) evidencing and/or securing such pledge as Agent shall require.

(d) [Reserved].

Section 8.21 **ERISA**. Borrower shall not directly establish any Pension Plan for employees which would cause Borrower to be subject to ERISA. However, the foregoing shall not (i) prohibit Borrower from being a party to any collective bargaining agreement for its employees which provides for pension plan (including Multiemployer Plan) contributions, or (ii) prohibit a Controlled Group member from establishing or maintaining any Pension Plan or contributing to any Multiemployer Plan.

Section 8.22 **No Cross-Default or Cross-Collateralization**.

(a) Neither Borrower nor any Borrower Party shall (i) enter into any agreement under which, the default by Borrower or such Borrower Party, as the case may be, may result in a Potential Default or an Event of Default under this Agreement or any of the other Loan Documents, or (ii) grant a Lien on any of the collateral for the Obligations to secure any obligation of Borrower or any Borrower Party under any agreement with any Person other than Agent and/or the Lenders related to the Loan.

(b) Borrower shall not be a party to, or be bound by, any so-called integrated cash management arrangement with any of its Affiliates or sponsors.

Section 8.23 **No Cessation of Business**. Borrower shall not cease, or threaten to cease, to carry on its business operations as they exist on the date hereof.

Section 8.24 **No Cash Distributions**. While an Event of Default exists, Borrower shall not declare or pay any dividend or make any other distribution to its interest owners, directly or

indirectly, issue any further ownership interests or alter any rights attaching to its issued ownership interests as at the date of this Agreement, or repay or redeem any of its invested capital. Any fees to Borrower, Guarantor, any of their respective affiliates, principals, partners, sureties or any related Person shall be subordinate to Debt Service on the Loan.

Section 8.25 **Provision of KYC Information**. Borrower acknowledges that, in order to comply with its obligations under U.S. law and its internal compliance policies and procedures, Agent must collect, review and check appropriate identification information from its customers and those acting for them. Accordingly, Borrower agrees that prior to Loan closing, Borrower will furnish to Agent the names, titles and specimen signatures (together with appropriate identifying information for such individuals, including government-issued photo identification) for of all officers and other representatives authorized by Borrower or Guarantor to act for it in connection with the Loan. Such information will be provided at least ten (10) Business Days in advance of the Loan closing so that Agent will have sufficient time to perform such review and checks. The individuals so named shall be authorized to act, whether by name, function or title, for Borrower or Guarantor, as applicable, in the board resolutions referred to in the incumbency certificates delivered at Loan closing. In addition, in the event that after the date hereof Borrower or Guarantor wishes to add to the list of such officers and other representatives originally furnished to Agent, Borrower will furnish such additional names, titles, specimen signatures and identifying information sufficiently in advance of such additional officers and other representatives attempting to take action so that Agent will have at least ten (10) Business Days to perform its reviews and checks, which such additional officers and representatives shall be referred to (whether by name, function or title) in certified board resolutions delivered to Agent. Borrower acknowledges and agrees that Agent will have no obligation to deal with any such officer or other representative prior to having received such information and successfully performed such reviews and checks. With respect to the FinCEN UBO certificate, Social Security numbers/EINs shall be provided for individuals/entities beneficially owning twenty-five percent (25%) or more of Borrower or any entity controlling Borrower, except where such beneficial owner owns at least fifty-one percent (51%) of Borrower and is a U.S. publicly-traded company or an insurance company regulated by a state of the United States. In the event that the FinCEN UBO certificate is signed by someone other than the UBO, governmental-issued identification will be required for that signatory.

ARTICLE 9

EVENTS OF DEFAULT

Each of the following shall constitute an Event of Default under the Loan:

Section 9.1 **Payments**. Borrower's failure to pay (w) any regularly scheduled installment of principal due under this Agreement or the Note on its due date, (x) interest or other regularly scheduled amount due under this Agreement or the Loan Documents within two (2) Business Days after the date when due, (y) the Loan at the Maturity Date, whether by acceleration or otherwise, or (z) any other amount required to be paid by Borrower hereunder or under any of the other Loan Documents within the time periods applicable to any such payment after notice by Agent to Borrower as set forth herein or therein, or if no time period and/or notice

period is expressly set forth, within five (5) Business Days after Agent's demand therefor. Notwithstanding anything herein to the contrary, with respect to the payments referred to in subsections (w) and (x), Borrower shall be entitled to one (1) notice in writing from Agent each calendar year if any such payments are past due, and such past due payment shall not be an Event of Default unless such payments remain unpaid after five (5) days of notice from Agent.

Section 9.2 **Insurance**. (a) Borrower's failure to maintain insurance as required under **Section 3.1** of this Agreement or (b) in the event that a copy of the insurance policy with respect to a specific insurance coverage has not already been delivered to Agent, the failure of Borrower to deliver such insurance policy within thirty (30) days after the date hereof or (c) the failure of any certificate of insurance delivered to Agent to accurately reflect in any respect the insurance coverage provided under the insurance policy to which such certificate of insurance relates.

Section 9.3 **Sale, Encumbrance, Etc**. The Transfer of any part or all of the Project or the Development Project, or any interest therein, or of any interest in Borrower, in violation of **Section 8.1**.

Section 9.4 **Covenants**. Borrower's or, to the extent applicable, any Borrower Party's failure to perform or observe any of the agreements and covenants contained in this Agreement or in any of the other Loan Documents, and the continuance of such failure for ten (10) days after notice by Agent to Borrower; however, subject to any shorter period for curing any failure by Borrower as specified in any of the other Loan Documents. Borrower shall have an additional thirty (30) days to cure such failure if (a) such failure does not involve the failure to make payments on a monetary obligation; (b) such failure cannot reasonably be cured within ten (10) days; (c) Borrower is diligently undertaking to cure such default, and (d) Borrower has provided Agent with security reasonably satisfactory to Agent against any interruption of payment or impairment of collateral as a result of such continuing failure. The notice and cure provisions of this **Section 9.4** do not apply to the other Events of Default described in this **Article 9**.

Section 9.5 **Representations and Warranties**. Any certification, representation or warranty made in, or pursuant to, any Loan Document proves to be untrue in any material respect when made or deemed made.

Section 9.6 **Single Purpose Entity**. The failure of Borrower to maintain its status as a Single Purpose Entity in any material respect.

Section 9.7 **Involuntary Bankruptcy or Other Proceeding**. Commencement of an involuntary case or other proceeding against Borrower, any Borrower Party or any other Person having an ownership or security interest in the Project (each, a "**Bankruptcy Party**") which seeks liquidation, reorganization or other relief with respect to it or its debts or other liabilities under any Creditors' Rights Law now or hereafter in effect or seeks the appointment of a trustee, receiver, liquidator, custodian or other similar official of it or any of its property, and such involuntary case or other proceeding shall remain undismissed or unstayed for a period of sixty (60) days; or an order for relief against a Bankruptcy Party shall be entered in any such case under the Bankruptcy Code.

Section 9.8 **Voluntary Petitions, Etc**. Commencement by a Bankruptcy Party of a voluntary case or other proceeding seeking liquidation, reorganization or other relief with respect to itself or its Debts or other liabilities under any Creditors' Rights Law or seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official for it or any of its property, or consent by a Bankruptcy Party to any such relief or to the appointment of or taking possession by any such official in an involuntary case or other proceeding commenced against it, or the making by a Bankruptcy Party of a general assignment for the benefit of creditors, or the failure by a Bankruptcy Party, or the admission by a Bankruptcy Party in writing of its inability to pay its debts generally as they become due, or any action by a Bankruptcy Party to authorize or effect any of the foregoing.

Section 9.9 **Intentionally Omitted**.

Section 9.10 **Misapplication or Misappropriation of Funds**. Borrower's misapplication or misappropriation of security deposits in violation of the Leases and/or Operating Revenues.

Section 9.11 **Intentionally Omitted**.

Section 9.12 **Anti-Terrorism and Anti-Money Laundering**. The failure of Borrower or any of its Affiliates to comply with the provisions of **Article 13**.

Section 9.13 **Intentionally Omitted**.

Section 9.14 **Intentionally Omitted**.

Section 9.15 **Other Loan Documents**. The occurrence of an Event of Default under any of the other Loan Documents.

Section 9.16 **Other Defaults**. The occurrence of a default under **Section 4.2**, **5.2(a)**, **5.2(b)**, **5.3(5-8)**, **8.2**, **8.3**, **8.4(b)**, **8.4(d)**, **8.6**, **8.7**, **8.8**, **8.11**, **8.18**, **8.19(a)**, **8.20**, **8.21**, **8.23**, or **8.24** of this Agreement beyond any applicable notice, cure or grace period expressly set forth therein.

Section 9.17 **ERISA**. The assets of any Loan Party become Plan Assets subject to ERISA.

Notwithstanding anything herein or in the other Loan Documents to the contrary, if an Event of Default occurs (after expiration of any applicable cure periods in this **Article 9** or any of the other Loan Documents), no Borrower nor any other Borrower Party shall have a right to cure such Event of Default, and Agent shall have no obligation to accept such cure. Any such Event of Default shall exist unless waived in accordance with **Section 11.2** of this Agreement.

ARTICLE 10

REMEDIES

Section 10.1 **Remedies - Insolvency Events**. Upon the occurrence of any Event of Default described in **Section 9.7** or **9.8**, the obligations of Agent and the Lenders to advance amounts hereunder shall automatically and immediately terminate, and all amounts due under the

Loan Documents automatically and immediately shall become due and payable, all without notice and without presentment, demand, protest, notice of protest or dishonor, notice of intent to accelerate the maturity thereof, notice of acceleration of the maturity thereof, or any other notice of any kind, all of which are hereby expressly waived by Borrower; provided; however, that if the Bankruptcy Party under **Section 9.7** or **9.8** is other than Borrower, then all amounts due under the Loan Documents shall become immediately due and payable at Agent's election, in Agent's sole discretion.

Section 10.2 **Remedies - Other Events**. Except as set forth in **Section 10.1** above, while any Event of Default exists, Agent may (1) by notice to Borrower, declare the entire Loan to be immediately due and payable without presentment, demand, protest, notice of protest or dishonor, notice of intent to accelerate the maturity thereof, notice of acceleration of the maturity thereof, or other notice of default of any kind, all of which are hereby expressly waived by Borrower, (2) terminate the obligation, if any, of Agent to advance amounts hereunder, and (3) exercise all rights and remedies therefor under the Loan Documents and at law or in equity.

Section 10.3 **Agent's Right to Perform the Obligations**. If Borrower shall fail, refuse or neglect to make any payment or perform any act required by the Loan Documents, then while any Event of Default exists, and without notice to or demand upon Borrower and without waiving or releasing any other right, remedy or recourse Agent or the Lenders may have because of such Event of Default, Agent may (but shall not be obligated to) make such payment or perform such act for the account of and at the expense of Borrower, and shall have the right to enter upon the Project for such purpose and to take all such action thereon and with respect to the Project as it may deem necessary or appropriate. If Agent shall elect to pay any sum due with reference to the Project, Agent may do so in reliance on any bill, statement or assessment procured from the appropriate Governmental Authority or other issuer thereof without inquiring into the accuracy or validity thereof. Similarly, in making any payments to protect the security intended to be created by the Loan Documents, Agent shall not be bound to inquire into the validity of any apparent or threatened adverse title, lien, encumbrance, claim or charge before making an advance for the purpose of preventing or removing the same. Additionally, if any Hazardous Materials affect or threaten to affect the Project, Agent may (but shall not be obligated to) give such notices and take such actions as it deems necessary or advisable in order to abate the discharge of any Hazardous Materials or remove the Hazardous Materials. Borrower shall indemnify, defend and hold Agent and the Lenders harmless from and against any and all losses, liabilities, claims, damages, expenses, obligations, penalties, actions, judgments, suits, costs or disbursements of any kind or nature whatsoever, including reasonable attorneys' fees, incurred or accruing by reason of any acts performed by Agent pursuant to the provisions of this **Section 10.3**, including those arising from the joint, concurrent, or comparative negligence of Agent, except as a result of Agent's or the Lenders' gross negligence or willful misconduct. All sums paid by Agent pursuant to this **Section 10.3**, and all other sums expended by Agent to which it shall be entitled to be indemnified, together with interest thereon at the Default Rate from the date of such payment or expenditure until paid, shall constitute additions to the Loan, shall be secured by the Loan Documents and shall be paid by Borrower to Agent upon demand.

Section 10.4 **Order of Payments**. If an Event of Default exists and maturity of any of the Obligations has been accelerated or the Maturity Date has occurred, all payments received by

Agent under any of the Loan Documents, in respect of any principal of or interest on the Obligations or any other amounts payable by Borrower hereunder or thereunder, shall be applied in the following order and priority:

(a) amounts due to Agent in respect of expenses due under **Section 11.5** until paid in full, and other applicable fees of Agent (or as otherwise agreed to in writing);

(b) amounts due to Agent and the Lenders in respect of protective advances to be applied for the ratable benefit of the Lenders in accordance with their respective shares of protective advances;

(c) amounts due to the Lenders in respect of fees, costs and expenses, including, without limitation, any amounts due under **Section 2.5**, to be applied for the ratable benefit of the Lenders;

(d) payments of interest on the Loan, to be applied for the ratable benefit of the Lenders;

(e) payments of principal on the Loan to be applied for the ratable benefit of the Lenders;

(f) amounts due to Agent and the Lenders pursuant to **Section 8.12**;

(g) any other amounts due to Agent and the Lenders under the terms of the Loan Documents to be applied for the ratable benefit of Agent and the Lenders in accordance with the amounts outstanding;

(h) [Intentionally omitted]; and

(i) any amount remaining after application as provided above, shall be paid to Borrower or whomever else may be legally entitled thereto.

ARTICLE 11

MISCELLANEOUS

Section 11.1 **Notices**. Any approval, confirmation, consent, demand, determination, notice, request or other communication required or permitted to be given under this Agreement shall be in writing and either shall be sent by overnight air courier service, personally delivered to a representative of the receiving party, or sent by telecopy (provided an identical notice is also sent simultaneously by overnight courier or personal delivery as otherwise provided in this **Section 11.1**). All such communications shall be sent or delivered, addressed to the party for whom it is intended at its address set forth below.

If to Borrower: 250 Seaport District, LLC
c/o The Howard Hughes Corporation
9950 Woodloch Forest Drive, Suite 1100
The Woodlands, TX 77380

	Attn: Legal Department
With a copy to:	250 Seaport District, LLC c/o The Howard Hughes Corporation 9950 Woodloch Forest Drive, Suite 1100 The Woodlands, TX 77380 Attn: Capital Markets Department
If to Agent:	MIZUHO CAPITAL MARKETS LLC 1271 Avenue of the Americas New York, New York 10022 Attention: Legal Department
With copies to:	Greenberg Traurig, LLP 1717 Arch Street, Suite 400 Philadelphia, PA 19103 Attention: Dianne Coady Fisher, Esquire

Any communication so addressed and mailed shall be deemed to be given on the earliest of (1) when actually delivered or (2) on the first (1st) Business Day after deposit with an overnight air courier service, in each case to the address of the intended addressee (except as otherwise provided in the Mortgage), and any communication so delivered in person shall be deemed to be given when receipted for by, or actually received by Agent or Borrower, as the case may be. If given by telecopy, a notice shall be deemed given and received when the telecopy is transmitted to the party's telecopy number specified above, and electronic confirmation of complete receipt is received by the transmitting party during recipient's normal business hours or on the next Business Day if not so confirmed during recipient's normal business hours, and an identical notice is also sent simultaneously by overnight courier or personal delivery as otherwise provided in this **Section 11.1**. Either party may designate a change of address by notice to the other by giving at least ten (10) days prior notice of such change of address.

Section 11.2 **Amendments and Waivers**. No amendment or waiver of any provision of the Loan Documents shall be effective unless in writing and signed by the party against whom enforcement is sought; provided, however, that no amendment, waiver or consent shall, unless in writing and signed by all of the Lenders, do any of the following: (1) reduce the principal of, or interest on, the Note or any fees due thereunder or any other amount due hereunder or under any of the Loan Documents; (2) postpone any date fixed for any payment of principal of, or interest on, the Note or any fees due hereunder or under any of the Loan Documents; (3) amend this **Section 11.2** or any other provision requiring the consent of all of the Lenders; or (4) waive any default under **Section 9.1**. Borrower is entitled to rely on the signature of Agent on any such amendment or waiver as evidence that the requisite number of the Lenders have executed such amendment or waiver. For the avoidance of doubt, nothing herein or in any of the other Loan Documents shall be, or shall be deemed to constitute, a waiver, amendment, modification, forbearance or extension with respect to the Loan or the other Loan Documents other than in accordance with the express terms and conditions hereof for the limited and express purposes

contemplated hereby. In addition, no single or multiple waivers, amendments, modifications, forbearances or extensions, whether previously entered into or entered into in the future, shall constitute, or be deemed to constitute, a course of dealing creating any additional obligation to waive, amend, modify, forbear or extend any obligations or conditions under any of the Loan Documents, unless expressly agreed in writing by the parties hereto.

Section 11.3 **Limitation on Interest**. It is the intention of the parties hereto to conform strictly to applicable usury Legal Requirements. Accordingly, all agreements between Borrower, on one hand, and Agent and the Lenders, on the other hand, with respect to the Loan are hereby expressly limited so that in no event, whether by reason of acceleration of maturity or otherwise, shall the amount paid or agreed to be paid to Agent or the Lenders or charged by Agent or the Lenders for the use, forbearance or detention of the money to be lent hereunder or otherwise, exceed the maximum amount allowed by Legal Requirements. If the Loan would be usurious under applicable Legal Requirements (including the Legal Requirements of the State and the U.S.), then, notwithstanding anything to the contrary in the Loan Documents: (1) the aggregate of all consideration which constitutes interest under applicable Legal Requirements that is contracted for, taken, reserved, charged or received under the Loan Documents shall under no circumstances exceed the maximum amount of interest allowed by applicable Legal Requirements , and any excess shall be credited on the Note by the holder thereof (or, if the Note has been paid in full, refunded to Borrower); and (2) if maturity is accelerated by reason of an election by Agent, or in the event of any prepayment, then any consideration which constitutes interest may never include more than the maximum amount allowed by applicable Legal Requirements. In such case, excess interest, if any, provided for in the Loan Documents or otherwise, to the extent permitted by applicable Legal Requirements, shall be amortized, prorated, allocated and spread from the date of advance until payment in full so that the actual rate of interest is uniform through the term hereof. If such amortization, proration, allocation and spreading is not permitted under applicable Legal Requirements, then such excess interest shall be canceled automatically as of the date of such acceleration or prepayment and, if previously paid, shall be credited on the Note (or, if the Note has been paid in full, refunded to Borrower). The terms and provisions of this **Section 11.3** shall control and supersede every other provision of the Loan Documents. The Loan Documents are contracts made under and shall be construed in accordance with and governed by the Legal Requirements of the State of New York, without giving effect to New York's principles of conflicts of laws, except that if at any time U.S. federal Legal Requirements permit Agent or the Lenders to contract for, take, reserve, charge or receive a higher rate of interest than is allowed by the Legal Requirements of the State of New York (whether such U.S. federal Legal Requirements directly so provide or refer to the Legal Requirements of any state), then such U.S. federal Legal Requirements shall to such extent govern as to the rate of interest which Agent or the Lenders may contract for, take, reserve, charge or receive under the Loan Documents.

Section 11.4 **Invalid Provisions**. If any provision of any Loan Document is held to be illegal, invalid or unenforceable, such provision shall be fully severable; the Loan Documents shall be construed and enforced as if such illegal, invalid or unenforceable provision had never comprised a part thereof; the remaining provisions thereof shall remain in full effect and shall not be affected by the illegal, invalid, or unenforceable provision or by its severance therefrom; and

in lieu of such illegal, invalid or unenforceable provision there shall be added automatically as a part of such Loan Document a provision as similar in terms to such illegal, invalid or unenforceable provision as may be possible to be legal, valid and enforceable.

Section 11.5 **Reimbursement of Expenses**. Borrower shall promptly upon request pay all expenses incurred by Agent and the Lenders in connection with the origination of the Loan and the preparation, negotiation, execution and delivery of the Loan Documents, including, without limitation, fees and expenses of Agent's and the Lenders' environmental, engineering, insurance and other consultants, premiums for title insurance and endorsements thereto and fees, charges or taxes for the recording or filing of Loan Documents, and the reasonable fees and expenses of Agent's and the Lenders' attorneys, whether incurred by Agent and/or the Lenders prior to, on or after the date hereof. Borrower shall also promptly upon request from time to time pay all reasonable expenses of Agent and the Lenders in connection with (i) the administration of the Loan, including, without limitation, amendments, modifications, consents, waivers, audit costs, inspection fees, settlement of condemnation and casualty awards, expenses, charges and expenses of any other architectural/engineering consultants, and fees associated with the use of Debtdomain or a similar platform and (ii) the Assignment, Participation or syndication of the Loan. Borrower shall promptly upon request reimburse Agent and the Lenders for all amounts expended, advanced or incurred by Agent and/or the Lenders to collect the Note, or to enforce the rights of Agent and the Lenders under this Agreement or any other Loan Document, or to defend or assert the rights and claims of Agent and the Lenders under the Loan Documents or with respect to the Project (by litigation or other proceedings), which amounts will include, without limitation, all court costs, reasonable attorneys' fees and expenses, fees of auditors and accountants, and investigation expenses as may be incurred by Agent and/or the Lenders in connection with any such matters (whether or not litigation is instituted), together with interest at the Default Rate on each such amount from the date of disbursement until the date of reimbursement to Agent, all of which shall constitute part of the Loan and shall be secured by the Loan Documents.

Section 11.6 **Approvals; Third Parties; Conditions**. All approval rights retained or exercised by Agent with respect to leases, contracts, plans, studies and other matters are solely to facilitate the Lenders' credit underwriting, and shall not be deemed or construed as a determination that Agent or the Lenders have passed on the adequacy thereof for any other purpose and may not be relied upon by Borrower or any other Person. This Agreement is for the sole and exclusive use of Agent and the Lenders and Borrower and may not be enforced, nor relied upon, by any Person other than Agent and the Lenders and Borrower. All conditions to the obligations of Agent or the Lenders hereunder, including the obligation to make the Loan, are imposed solely and exclusively for the benefit of Agent, the Lenders, their successors and assigns, and no other Person shall have standing to require satisfaction of such conditions or be entitled to assume that Agent or the Lenders will refuse to make the Loan in the absence of strict compliance with any or all of such conditions, and no other Person shall, under any circumstances, be deemed to be a beneficiary of such conditions, any and all of which may be freely waived in whole or in part by Agent at any time in Agent's sole discretion.

Section 11.7 **Agent Not in Control; No Partnership**. None of the covenants or other provisions contained in this Agreement shall, or shall be deemed to, give Agent the right or

power to exercise control over the affairs or management of Borrower, the power of Agent being limited to the rights to exercise the remedies referred to in the Loan Documents. The relationship between Borrower, on the one hand, and Agent and/or the Lenders, on the other hand, is, and at all times shall remain, solely that of debtor and creditor. No covenant or provision of the Loan Documents is intended, nor shall it be deemed or construed, to create a partnership, joint venture, agency or common interest in profits or income between Agent and/or the Lenders, and Borrower or to create an equity in the Project in Agent or any of the Lenders. Agent neither undertakes nor assumes any responsibility or duty to Borrower or to any other person with respect to the Project or the Loans, except as expressly provided in the Loan Documents; and notwithstanding any other provision of the Loan Documents: (a) neither Agent nor any of the Lenders shall be construed as (i) a partner, joint venturer, agent, alter ego, manager, controlling person or other business associate or participant of any kind of Borrower or its stockholders, members, or partners or (ii) having a common interest in profits or income between Agent, the Lenders and Borrower, or to create an equity interest in the Project in Agent or any of the Lenders, and neither Agent nor any of the Lenders intend to ever assume such status; (b) neither Agent nor any of the Lenders shall in any event be liable for any Debts, costs, liabilities, expenses or losses incurred or sustained by Borrower; and (c) neither Agent nor any of the Lenders shall be deemed responsible for or a participant in any acts, omissions or decisions of Borrower or its stockholders, members or partners.

Section 11.8 **Time of the Essence**. Time is of the essence with respect to this Agreement.

Section 11.9 **Successors and Assigns**. This Agreement shall be binding upon, and shall inure to the benefit of, Agent, the Lenders and Borrower and the respective successors and assigns of Agent, the Lenders and Borrower, provided that neither Borrower nor any other Borrower Party shall, without the prior consent of Agent, assign any rights, duties or obligations hereunder or under any other Loan Document.

Section 11.10 **Renewal, Extension or Rearrangement**. All provisions of the Loan Documents shall apply with equal effect to each and all promissory notes and amendments thereof hereinafter executed which in whole or in part represent a renewal, extension, increase or rearrangement of the Loan. For portfolio management purposes, or in connection with Participations or a Secondary Market Transaction, Agent may elect to divide the Loan into two (2) or more separate loans evidenced by separate promissory notes so long as the payment and other obligations of Borrower are not effectively increased or otherwise modified. Borrower agrees to cooperate with Agent and to execute such documents as Agent reasonably may request to effect such division of the Loan.

Section 11.11 **Waivers**. **NO COURSE OF DEALING ON THE PART OF AGENT OR THE LENDERS, THEIR RESPECTIVE OFFICERS, EMPLOYEES, CONSULTANTS OR AGENTS, NOR ANY FAILURE OR DELAY BY AGENT AND/OR THE LENDERS WITH RESPECT TO EXERCISING ANY RIGHT, POWER OR PRIVILEGE OF AGENT AND/OR THE LENDERS UNDER ANY OF THE LOAN DOCUMENTS, SHALL OPERATE AS A WAIVER THEREOF. WITHOUT LIMITING THE FOREGOING, BORROWER ACKNOWLEDGES THAT AGENT, ON BEHALF**

OF THE LENDERS, SHALL HAVE THE RIGHT TO EXERCISE ANY OF ITS RIGHTS AND REMEDIES HEREUNDER AND UNDER THE OTHER LOAN DOCUMENTS AT ANY TIME THAT AN EVENT OF DEFAULT HAS OCCURRED, WHETHER THE SAME SHALL BE MONETARY OR NON-MONETARY IN NATURE. IF AGENT AND/OR THE LENDERS ACCEPT ANY PAYMENT(S) UNDER THE LOAN DOCUMENTS WITH KNOWLEDGE OF ANY EVENT OF DEFAULT, THEN SUCH ACCEPTANCE OF PAYMENT(S) SHALL NOT BE DEEMED A WAIVER OF SUCH EVENT OF DEFAULT. AGENT AND/OR THE LENDERS MAY ACCEPT ANY PAYMENT(S) AND THEREAFTER ENFORCE THEIR RIGHTS AND REMEDIES ON ACCOUNT OF ANY EVENT OF DEFAULT THAT OCCURRED BEFORE OR AT THE TIME OF SUCH PAYMENT(S).

Section 11.12 **Cumulative Rights**. Rights and remedies of Agent and the Lenders under the Loan Documents shall be cumulative, and the exercise or partial exercise of any such right or remedy shall not preclude the exercise of any other right or remedy.

Section 11.13 **Singular and Plural**. Words used in this Agreement and the other Loan Documents in the singular, where the context so permits, shall be deemed to include the plural and vice versa. The definitions of words in the singular in this Agreement and the other Loan Documents shall apply to such words when used in the plural where the context so permits and vice versa.

Section 11.14 **Phrases**. When used in this Agreement and the other Loan Documents, the phrase "including" shall mean "including, but not limited to" and "including, without limitation", the phrase "satisfactory to Agent" shall mean "in form and substance satisfactory to Agent in all respects", the phrase "with Agent's consent" or "with Agent's approval" shall mean such consent or approval at Agent's discretion, and the phrase "acceptable to Agent" shall mean "acceptable to Agent at Agent's sole discretion."

Section 11.15 **Exhibits and Schedules**. The exhibits and schedules attached to this Agreement are incorporated herein and shall be considered a part of this Agreement for the purposes stated herein.

Section 11.16 **Titles of Articles, Sections and Subsections**. All titles or headings to articles, sections, subsections or other divisions of this Agreement and the other Loan Documents or the exhibits hereto and thereto are only for the convenience of the parties and shall not be construed to have any effect or meaning with respect to the other content of such articles, sections, subsections or other divisions, such other content being controlling as to the agreement between the parties hereto.

Section 11.17 **Agent's and the Lenders' Promotional Material**. Borrower authorizes Agent and the Lenders to issue press releases, advertisements and other promotional materials in connection with Agent's and the Lenders' own promotional and marketing activities, and describing the Loan in general terms or in detail and Agent's and the Lenders' participation in the Loan. All references to Agent and/or the Lenders contained in any press release, advertisement or promotional material issued by Borrower shall be approved in writing by Agent in advance of issuance.

Section 11.18 **Survival**. All of the representations, warranties, covenants, and indemnities hereunder (including environmental matters under **Article 4**), and under the indemnification provisions of the other Loan Documents shall survive the repayment in full of the Loan and the release of the Liens evidencing or securing the Loan, and shall survive the Transfer (by sale, foreclosure, conveyance in lieu of foreclosure or otherwise) of any or all right, title and interest in and to the Project to any party, whether or not an Affiliate of Borrower.

Section 11.19 **Waiver of Jury Trial**. **TO THE MAXIMUM EXTENT PERMITTED BY LEGAL REQUIREMENTS, BORROWER, ON THE ONE HAND, AND AGENT AND THE LENDERS, ON THE OTHER HAND, HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVE THE RIGHT TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION BASED HEREON, ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT, OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENT (WHETHER VERBAL OR WRITTEN) OR ACTION OF EITHER PARTY OR ANY EXERCISE BY ANY PARTY OF THEIR RESPECTIVE RIGHTS UNDER THE LOAN DOCUMENTS OR IN ANY WAY RELATING TO THE LOAN OR THE PROJECT (INCLUDING, WITHOUT LIMITATION, ANY ACTION TO RESCIND OR CANCEL THIS AGREEMENT, AND ANY CLAIM OR DEFENSE ASSERTING THAT THIS AGREEMENT WAS FRAUDULENTLY INDUCED OR IS OTHERWISE VOID OR VOIDABLE). THIS WAIVER IS A MATERIAL INDUCEMENT FOR AGENT AND THE LENDERS TO ENTER THIS AGREEMENT.**

Section 11.20 **Waiver of Punitive or Consequential Damages**. **NEITHER AGENT, THE LENDERS NOR BORROWER SHALL BE RESPONSIBLE OR LIABLE TO THE OTHER OR TO ANY OTHER PERSON FOR ANY PUNITIVE, EXEMPLARY OR CONSEQUENTIAL DAMAGES WHICH MAY BE ALLEGED AS A RESULT OF THE LOAN OR THE TRANSACTION CONTEMPLATED HEREBY, INCLUDING ANY BREACH OR OTHER DEFAULT BY ANY PARTY HERETO.**

Section 11.21 **Governing Law/Jurisdiction**. **THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER AND UNDER THE OTHER LOAN DOCUMENTS SHALL IN ALL RESPECTS BE GOVERNED BY, AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK (WITHOUT GIVING EFFECT TO NEW YORK'S PRINCIPLES OF CONFLICTS OF LAW). BORROWER, AGENT AND EACH LENDER HEREBY IRREVOCABLY (I) SUBMIT TO THE NON-EXCLUSIVE JURISDICTION OF ANY NEW YORK STATE OR FEDERAL COURT SITTING IN THE COUNTY OF NEW YORK OVER ANY SUIT, ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE OTHER LOAN DOCUMENTS, (II) WAIVE ANY OBJECTION WHICH IT MAY HAVE AT ANY TIME TO THE LAYING OF VENUE OF ANY ACTION OR PROCEEDING BROUGHT IN ANY SUCH COURT, (III) WAIVE ANY CLAIM THAT SUCH PROCEEDINGS OR ACTIONS HAVE BEEN BROUGHT IN AN INCONVENIENT FORUM AND (IV) WAIVE THE RIGHT TO OBJECT, WITH RESPECT TO SUCH ACTION OR PROCEEDING, THAT SUCH COURT DOES NOT**

HAVE JURISDICTION OVER SUCH PARTY. EACH OF AGENT, LENDERS AND BORROWER HEREBY AGREES AND CONSENTS THAT, IN ADDITION TO ANY METHODS OF SERVICE OF PROCESS PROVIDED FOR UNDER APPLICABLE LAW, ALL SERVICE OF PROCESS IN ANY SUCH SUIT, ACTION OR PROCEEDING IN ANY NEW YORK STATE OR FEDERAL COURT SITTING IN THE COUNTY OF NEW YORK MAY BE MADE BY CERTIFIED OR REGISTERED MAIL, RETURN RECEIPT REQUESTED, DIRECTED TO AGENT, EACH LENDER OR BORROWER, AS APPLICABLE AT THE ADDRESS FOR NOTICES PURSUANT TO SECTION 11.1, AND SERVICE SO MADE SHALL BE COMPLETE FIVE DAYS AFTER THE SAME SHALL HAVE BEEN SO MAILED.

Section 11.22 **Entire Agreement**. This Agreement and the other Loan Documents embody the entire agreement and understanding between Agent and the Lenders, on the one hand, and Borrower and Borrower Parties on the other hand, and supersede all prior agreements and understandings between such parties relating to the subject matter hereof and thereof. Accordingly, the Loan Documents may not be contradicted by evidence of prior, contemporaneous, or subsequent oral agreements of the parties. There are no unwritten oral agreements between the parties.

Section 11.23 **Counterparts**. This Agreement may be executed in multiple counterparts, each of which shall constitute an original, but all of which shall constitute one document.

Section 11.24 **Nature of Obligations of Lenders**. The obligations of the Lenders hereunder are several and not joint. Failure of any Lender to fulfill its obligations hereunder shall not result in any other Lender becoming obligated to advance more than its Commitment, nor shall such failure release or diminish the obligations of any other Lender to fund its Commitment provided herein.

Section 11.25 **Waiver of Set-Off**. Borrower hereby irrevocably waives the right to assert any counterclaim (except mandatory counterclaims) in any action or proceeding brought against it by Agent or any Lender or their respective agents or otherwise to offset any obligation to make the payments required by the Loan Documents. No failure by Agent or any Lender to perform any of its obligations hereunder shall be valid defense to, or result in any offset against, any payments which Borrower is obligated to make under any of the Loan Documents.

Section 11.26 **Construction**. In this Agreement, unless a contrary intention appears, (1) an amendment includes a supplement, novation, extension (whether of maturity or otherwise), restatement, re-enactment or replacement; (2) assets includes present and future properties, revenues and rights of every description; (3) an authorization includes an authorization, consent, approval, resolution, permit, license, exemption, filing, or registration; (3) disposal means a Transfer, whether voluntary or involuntary, and dispose will be construed accordingly; (4) indebtedness includes any obligation (whether incurred as principal or as surety and whether present or future, actual or contingent) for the payment or repayment of money; (5) a currency is a reference to the lawful currency for the time being of the relevant country; (6) a Legal Requirement is a reference to that provision as extended, applied, amended or re-enacted and includes any subordinate legislation; and (7) a time of day is a reference to New York, New York

time. Further, unless the contrary intention appears, a reference to a "month" or "months" is a reference to a period starting on one day in a calendar month and ending on the numerically corresponding day in the next calendar month or the calendar month in which it is to end, except that: if the numerically corresponding day is not a Business Day, the period will end on the next Business Day in that month (if there is one) or the preceding Business Day (if there is not); if there is no numerically corresponding day in that month, that period will end on the last Business Day in that month; a period which commences on the last Business Day of a month will end on the last Business Day in the next month or the calendar month in which it is to end, as appropriate. Unless the contrary intention appears: a reference to a party will not include that party if it has ceased to be a party under this Agreement; a word or expression used in any other Loan Document or in any notice given in connection with any Loan Document has the same meaning in that Loan Document or notice as in this Agreement; and any obligation of Borrower or any Guarantor under the Loan Documents which is not a payment obligation remains in force for so long as any payment obligation of Borrower or any Guarantor may be or is capable of becoming outstanding under the Loan Documents.

Section 11.27 **Use of Websites**. Except as provided below, Borrower may deliver any information under this Agreement to Agent and the Lenders by posting it on to an electronic website if (1) Agent and each Lender agree; (2) Borrower and Agent designate an electronic website for this purpose; (3) Borrower notifies Agent of the address of and password for the website; and (4) the information posted is in a format agreed between Borrower and Agent. Agent must supply each Lender with the address of and password for the website. Notwithstanding the above, Borrower must supply to Agent in paper form a copy of any information posted on the website together with sufficient copies for: any Lender not agreeing to receive information via the website; and within ten Business Days of request any other Lender, if that Lender so requests. Borrower shall promptly upon becoming aware of its occurrence, notify Agent if the website cannot be accessed; the website or any information on the website is infected by any electronic virus or similar software; the password for the website is changed; or any information to be supplied under this Agreement is posted on the website or amended after being posted. If the circumstances in the immediately preceding sentence occur, Borrower shall supply any information required under this Agreement in paper form until Agent is satisfied that the circumstances giving rise to the notification are no longer continuing.

Section 11.28 **Language**. Any notice or other writing given in connection with a Loan Document must be in English.

Section 11.29 **Intentionally Omitted**.

Section 11.30 **Deposit Funds Generally.**

(a) In the event any Accounts or any other accounts are held by Agent (each, an "**Agent Deposit**") under this Agreement or any other Loan Document, Borrower acknowledges that the funds ("**Deposit Funds**") deposited in any such Agent Deposit are not insured by deposit insurance, including, without limitation, deposit insurance issued by Federal Deposit Insurance Corporation.

(b) Except as otherwise expressly stated herein, (i) no earnings or interest on the Deposit Funds shall be payable to Borrower, (ii) Agent shall not have any obligation to keep or maintain any Agent Deposit or any Deposit Funds deposited therein in an interest-bearing account, (iii) if Agent elects in its sole and absolute discretion to keep or maintain such Agent Deposit or such Deposit Funds deposited therein in an interest-bearing account, (x) such funds shall accrue interest at an annual rate equal to the federal funds rate (as in effect from time to time) less 0.15%, and (y) all interest earned or accrued thereon shall be for the account of and be retained by Agent.

(c) Borrower grants to Agent a first-priority perfected security interest in, and assigns and pledges to Agent, each Agent Deposit and any and all Deposit Funds now or hereafter deposited in such Agent Deposit as additional security for payment of the Obligations. Until expended or applied in accordance herewith, each Agent Deposit and any Deposit Funds therein shall constitute additional security for the Obligations. The provisions of this **Section 11.30** are intended to give Agent or any subsequent holder of the Loan "control" of the Agent Deposits within the meaning of the New York Uniform Commercial Code, as amended from time to time.

(d) Each Agent Deposit and any and all Deposit Funds now or hereafter deposited therein shall be subject to the exclusive dominion and control of Agent, which shall hold such Agent Deposit and any or all Deposit Funds now or hereafter deposited therein subject to the terms and conditions of this Agreement. Borrower shall have no right of withdrawal from any Agent Deposit or any other right or power with respect thereto or any or all of the Deposit Funds now or hereafter deposited therein, except as expressly provided in this Agreement.

(e) As long as no Potential Default or Event of Default exists, Agent shall make disbursements from the Agent Deposits in accordance with this Agreement. All such disbursements shall be deemed to have been expressly pre-authorized by Borrower, and shall not be deemed to constitute the exercise by Agent of any remedies against Borrower unless an Event of Default exists and Agent has expressly stated in writing its intent to proceed to exercise its remedies as a secured party, pledgee or lienholder with respect to the Agent Deposits.

(f) While an Event of Default exists, Borrower shall immediately lose all of its rights to receive disbursements from the Agent Deposits until the earlier to occur of (i) the date on which such Event of Default is cured to Agent's satisfaction, or (ii) the indefeasible payment in full of the Obligations. While an Event of Default exists, Agent may exercise any or all of its rights and remedies as a secured party, pledgee and lienholder with respect to the Agent Deposits. Without limitation of the foregoing, while an Event of Default exists, Agent may use and disburse the funds deposited in the Agent Deposits (or any portion thereof) for any of the following purposes: (A) repayment of the Obligations, including, without limitation, principal prepayments; (B) reimbursement of Agent for all losses, fees, costs and expenses (including, without limitation, reasonable attorneys' fees) suffered or incurred by Agent as a result of such Event of Default; (C) payment of any amount expended in exercising any or all rights and remedies available to Agent at law or in equity or under this Agreement or under any of the other Loan Documents; (D) payment of any item from the Agent Deposits as required or permitted under this Agreement; or (E) any other purpose permitted by applicable Legal Requirements;

provided, however, that any such application of funds shall not cure or be deemed to cure any Event of Default. Without limiting any other provisions hereof, each of the remedial actions described in the immediately preceding sentence shall be deemed to be a commercially reasonable exercise of Agent's rights and remedies as a secured party with respect to the funds in the Agent Deposits and shall not in any event be deemed to constitute a setoff or a foreclosure of a statutory banker's lien. Nothing in this Agreement shall obligate Agent to apply all or any portion of the funds in the Agent Deposits to effect a cure of any Event of Default, or to pay the Obligations, or in any specific order of priority. The exercise of any or all of Agent's rights and remedies under this Agreement or under any of the other Loan Documents shall not in any way prejudice or affect Agent's right to initiate and complete a foreclosure under the Mortgage.

(g) The Deposit Funds shall not constitute escrow or trust funds and may be commingled with other monies held by Agent. Notwithstanding anything else herein to the contrary, Agent may commingle in one or more accounts any and all funds controlled by Agent, including, without limitation, funds pledged in favor of Agent by other borrowers, whether for the same purposes as the Agent Deposits or otherwise. Without limiting any other provisions of this Agreement or any other Loan Document, the Agent Deposits may be established and held in such name or names as Agent shall deem appropriate, including, without limitation, in the name of Agent. In case the Deposit Funds are held in a commingled account, Agent shall maintain records sufficient to enable it to determine at all times which portion of such account is related to the Loan. The Agent Deposits are for the protection of Agent. With respect to the Agent Deposits, Agent shall have no responsibility beyond the allowance of due credit for the sums actually received by Agent or beyond the reimbursement or payment of the costs and expenses for which such accounts were established in accordance with their terms. Upon assignment of the full amount of the Loan by Agent to an assignee, any funds in the Agent Deposits shall be turned over to such assignee and any responsibility of Agent as assignor shall terminate. Upon payment in full of the Obligations or such earlier date for release of any Agent Deposit as expressly set forth in this Agreement or in any other Loan Document (and provided no Potential Default or Event of Default then exists), any funds in the Agent Deposit shall be released to Borrower. Except as expressly set forth herein, requirements of this Agreement concerning the Agent Deposits in no way supersede, limit or waive any other rights or obligations of the parties under any of the Loan Documents or under applicable Legal Requirements.

(h) Borrower shall not, without obtaining the prior written consent of Agent, further pledge, assign or grant any security interest in the Agent Deposits or the Deposit Funds deposited therein or permit any Lien to attach thereto, except for the security interest granted in this **Section 11.30**, or any levy to be made thereon, or any UCC financing statements, except those naming Agent as the secured party, to be filed with respect thereto.

(i) Borrower will maintain the security interest created by this **Section 11.30** as a first priority perfected security interest and will defend the right, title and interest of Agent in and to the Agent Deposits and the Deposit Funds therein against the claims and demands of all Persons whomsoever. At any time and from time to time, upon the written request of Agent, and at the sole expense of Borrower, Borrower will promptly and duly execute and deliver such further instruments and documents and will take such further actions as Agent reasonably may

request for the purpose of obtaining or preserving the full benefits of this **Section 11.30** and of the rights and powers herein granted.

(j) In connection with the Agent Deposits and Deposit Funds, Agent shall be protected in acting upon any notice, resolution, request, consent, order, certificate, report, opinion, bond or other paper, document or signature believed by Agent to be genuine, and it may be assumed conclusively that any Person purporting to give any of the foregoing has been duly authorized to do so. In connection with the Agent Deposits and Deposit Funds, Agent may consult with counsel, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by them hereunder and in good faith in accordance therewith. In connection with the Agent Deposits and Deposit Funds, Agent shall not be liable to Borrower for any act or omission done or omitted to be done by Agent in reliance upon any instruction, direction or certification received by Agent and without gross negligence or willful misconduct.

(k) Beyond the exercise of reasonable care in the custody thereof, Agent shall not have any duty as to any Agent Deposits or Deposit Funds in its possession or control as agent therefor or bailee thereof or any income thereon or the preservation of rights against any Person or otherwise with respect thereto. In no event shall Agent or its Affiliates, agents, employees or bailees, be liable or responsible for any loss or damage to any of the Deposit Funds, or for any diminution in value thereof, by reason of the act or omission of Agent, except to the extent that such loss or damage results from Agent's gross negligence or willful misconduct.

Section 11.31 **Intentionally Omitted**.

LIMITATIONS ON LIABILITY

Section 11.32 **Limitation on Liability**. Borrower shall be personally liable for amounts due under the Loan Documents.

Section 11.33 **Limitation on Liability of Agent, the Lenders and their Officers, Employees, Etc**. Any obligation or liability whatsoever of Agent and/or the Lenders which may arise at any time under this Agreement or any other Loan Document shall be satisfied, if at all, out of Agent's and/or the Lenders, as applicable, assets only. No such obligation or liability shall be personally binding upon, nor shall resort for the enforcement thereof be had to, the property of any of Agent's or the Lenders' shareholders, directors, officers, employees or agents, regardless of whether such obligation or liability is in the nature of contract, tort or otherwise.

Section 11.34 **Claims Against Agent and/or the Lenders**.

(a) Neither Agent nor the Lenders shall be in default under this Agreement, or under any other Loan Document, unless a written notice specifically setting forth the claim of Borrower shall have been given to Agent within thirty (30) days after Borrower first had actual knowledge or actual notice of the occurrence of the event which Borrower alleges gave rise to such claim and neither Agent nor the relevant Lender(s), as the case may be, remedies or cures the default, if any there be, with reasonable promptness thereafter.

(b) If it is determined by the final order of a court of competent jurisdiction, which is not subject to further appeal, that Agent and/or any of the Lenders has breached any of its obligations under the Loan Documents and has not remedied or cured the same with reasonable promptness following notice thereof, then Agent's and/or such Lender's responsibilities shall be limited to: (i) where the breach consists of the failure to grant consent or give approval in violation of the terms and requirements of the Loan Documents, the obligation to grant such consent or give such approval; and (ii) in the case of any such failure to grant such consent or give such approval, or in the case of any other default by Agent and/or any of the Lenders, where it is also determined that Agent and/or the relevant Lender(s), as the case may be, acted in bad faith, or Agent's and/or such Lender's default constituted gross negligence or willful misconduct, the payment of any actual direct, compensatory damages sustained by Borrower as a result thereof plus Borrower's reasonable costs and expenses, including, without limitation, reasonable attorneys' fees and disbursements in connection with such court proceedings.

(c) In no event, however, shall Agent and/or any of the Lenders be liable to Borrower or anyone else for other damages such as, but not limited to, indirect, speculative or punitive damages whatever the nature of the breach by Agent and/or the relevant Lender(s), as the case may be, of its obligations under this Loan Agreement or under any of the other Loan Documents. In no event shall Agent and/or the relevant Lender(s), as the case may be, be liable to Borrower or anyone else unless a written notice specifically setting forth the claim of Borrower shall have been given to Agent within the time period specified above.

(d) Borrower agrees that so long as any of the Obligations remains outstanding, Borrower shall not assert, and Borrower hereby waives, any right of offset, claim, counterclaim or defense against Agent, any Lender or any of the Obligations, which right of offset, claim, counterclaim or defense arises out of obligations, liabilities or circumstances unrelated to the Obligations, the Loan or the Project (such offsets, claims, counterclaims or defenses being, collectively, "**Unrelated Claims**"). Any assignee of a Lender's interest in and to the Loan Documents shall take the same free and clear of all Unrelated Claims, and no Unrelated Claim shall be interposed or asserted by Borrower in any action or proceeding brought by any such assignee upon any of the Loan Documents, and any such right to interpose or assert any such Unrelated Claim in any such action or proceeding is hereby expressly waived by the Borrower for the benefit of such assignee.

ARTICLE 12

THE AGENT

Section 12.1 **Appointment and Authorization**. Subject to **Section 12.4** and except as specifically otherwise provided herein, Mizuho is hereby appointed by each Lender as Agent hereunder and under each other Loan Document. As of the date hereof, Mizuho, in its capacity as a Lender, holds Ratable Shares totaling one hundred percent (100%) of the Loan and is the sole Lender hereunder. Each Lender hereby irrevocably authorizes Agent to enter into the Loan Documents for the benefit of the Lenders, to act as agent for the Lenders with full power and authority to collect and administer the Loan, to exercise (or refrain from exercising) on behalf of the Lenders all rights and remedies of the Lenders under the Loan Documents, to take such

actions as the Lenders are obligated or entitled to take under the provisions of this Agreement and the other Loan Documents and to exercise such powers as are set forth herein or therein, together with such other powers as are reasonably incidental thereto. Except as specifically otherwise provided herein, Agent shall have the power to issue consents, approvals and waivers and determine compliance with the terms and conditions of the Loan Documents as to whether any document, item or matter is satisfactory or acceptable, each without the consent of the Lenders. Further, Agent may at any time convene a meeting of the Lenders. Agent, in its management and administration of the Loan, or in connection with the exercise of any rights and remedies under the Loan Documents or at law or equity, agrees to use the same diligence and care as customarily used by Agent with respect to loans held by it entirely for its own account.

Notwithstanding the use of the defined term "Agent", it is expressly understood and agreed that Agent shall not have a fiduciary relationship or any fiduciary responsibilities to any Lender by reason of this Agreement or any of the other Loan Documents and that Agent is merely acting as the contractual representative of the Lenders. In its capacity as the Lenders' contractual representative, Agent (i) is a "representative" of the Lenders within the meaning of Section 9-105 of the Uniform Commercial Code and (ii) is acting as an independent contractor, the rights and duties of which are limited to those expressly set forth in this Agreement and the other Loan Documents. Each Lender hereby agrees to assert no claim against Agent on any agency theory or any other theory of liability for breach of fiduciary duty, all of which claims each Lender hereby irrevocably waives. No implied covenants, responsibilities, duties, obligations or liabilities shall be read into this Agreement or the other Loan Documents or otherwise exist against or with respect to Agent.

Section 12.2 **Reliance on Agent**. All acts of and communications by Agent, as agent for the Lenders, shall be deemed legally conclusive and binding on the Lenders; and Borrower or any third party (including any court) shall be entitled to rely on any and all communications or acts of Agent with respect to the exercise of any rights or the granting of any consent, waiver or approval on behalf of Lenders or the Required Lenders in all circumstances where an action by Lenders or the Required Lenders is required or permitted pursuant to this Agreement or the provisions of any other Loan Document or by applicable Legal Requirements without the right or necessity of making any inquiry of any individual Lender as to the authority of Agent with respect to such matter. In no event shall any of the foregoing limit the rights or obligations of any Lender with respect to any other Lender pursuant to this **Article 12**. Each Lender acknowledges and agrees for the benefit of Agent and Borrower that Agent shall be, and Borrower shall be entitled to deal with Agent as, the exclusive representative of the Lenders on all matters relating to the Loan, this Agreement and each of the other Loan Documents.

Section 12.3 **Powers**. Agent shall have and may exercise such powers under the Loan Documents as are delegated to Agent by the terms of each thereof, together with such powers as are reasonably incidental thereto, and may exercise all other powers as are not reserved to the consent of the Required Lenders or to the consent of all Lenders pursuant to **Section 12.4**. Each Lender agrees that any action taken by Agent pursuant to this **Article 12** or at the direction or with the consent of all the Lenders or the Required Lenders in accordance with this Agreement, together with such other powers as are reasonably incidental thereto, shall be authorized and binding upon all Lenders. Agent shall not be considered, or be deemed, a separate agent of the

Lenders hereunder, but is, and shall be deemed, an Agent acting in its capacity as an Agent, exercising such rights and powers under the Loan Documents as are specifically delegated to Agent or which Agent is otherwise entitled to take hereunder. Agent shall have no implied duties to the Lenders, or any obligation to the Lenders to take any action, except any action specifically provided by the Loan Documents to be taken by Agent.

Section 12.4 **Consents and Approval.**

(a) Agent shall not, without first obtaining the consent of the Lenders holding Ratable Shares totaling one hundred percent (100%) of the Loan, take any of the following actions (provided that such consent shall not be required if Mizuho is the sole Lender holding Ratable Shares totaling one hundred percent (100%) of the Loan):

(i) amend the interest rate or Maturity Date set forth in the Loan Documents (except as may be expressly permitted in the Loan Documents),

(ii) provide a written release of any material portion of the collateral for the Loan, or a written release of any obligations of Guarantor (except as set forth in the Loan Documents),

(iii) increase the Loan Amount (other than as a result of an advance which Agent directs to be made after a Potential Default or Event of Default to cure a Potential Default or Event of Default or to comply with any of Borrower's covenants or otherwise to protect the value of the Project or the priority or validity of any Lien or security interest in favor of, or purportedly in favor of, the Lenders (or Agent for the benefit of the Lenders),

(iv) waive, defer, forgive or reduce any principal or interest or fees due under the Loan or extend the time for payment of any such principal or interest or fees, including, without limitation, the Maturity Date,

(v) permit Borrower to further encumber or hypothecate all or any portion of the Project, except to the extent expressly permitted under the Loan Documents,

(vi) change the Ratable Share or Commitment of any Lender, except in connection with a transfer of a Lender's interest permitted under this Agreement,

(vii) make any amendment to this **Section 12.4** or any amendment to the percentage specified in the definition of Required Lenders or otherwise change the definition of Lenders, or

(viii) take any action specifically requiring the consent of all the Lenders under any of the other terms of this Agreement or any of the other Loan Documents.

(b) Agent shall not, without first obtaining the consent of the Required Lenders, take any of the following actions (provided that such consent shall not be required if

Mizuho is the sole Lender holding Ratable Shares totaling one hundred percent (100%) of the Loan):

(i) permit (x) Borrower to Transfer any direct or indirect interest in the Project or (y) Guarantor to Transfer any direct or indirect interest in Borrower, in each case except to the extent expressly permitted under the Loan Documents,

(ii) declare the Note to be immediately due and payable following an Event of Default or any rescission of any such acceleration,

(iii) (A) bring any action to foreclose the Lien of the Mortgage; or conducting a foreclosure sale pursuant to a power of sale; or accept a deed in lieu of foreclosure, (B) appoint a receiver for the collection of rents, (C) file or approve any plan in any proceeding under any Creditors' Rights Law involving Borrower or any Borrower Party or the Project or (D) bring any suit to collect any of the Obligations or to sue on the Recourse Indemnity following an Event of Default, or

(iv) approve the Post-Default Plan.

(c) As to any matter which is subject to a vote of the Lenders, any of the Lenders may require Agent to initiate such a vote. In such event, Agent shall be bound by the results of such vote, so long as the action voted in favor of is permissible under the Loan Documents and under applicable Legal Requirements, and subject to the obligation of each Lender to (x) contribute its Ratable Share of all expenses and liabilities incurred in connection therewith and (y) indemnify Agent as more fully set forth in this Agreement.

(d) In addition to the required consents or approvals referred to in this **Section 12.4**, Agent may at any time request instructions from the Lenders with respect to any actions or approvals which, by the terms of this Agreement or of any of the other Loan Documents, Agent is permitted or required to take or to grant without instructions from any Lenders, and if such instructions are promptly requested, Agent shall be absolutely entitled to take or to refrain from taking any action or to withhold any approval and shall not have any liability whatsoever to any Lender, Borrower or any Borrower Party for taking or refraining from taking any action or withholding any approval under any of the Loan Documents. In the event that Agent requests instructions from the Lenders with respect to any matter as to which, pursuant to the express provisions of this Agreement, Agent is required to act in a reasonable manner, then the Lenders shall also act in a reasonable manner with respect to their instructions to Agent as to such matter. Without limiting the foregoing, no Lender, Borrower or any Borrower Party shall have any right of action whatsoever against Agent as a result of Agent acting or refraining from acting under this Agreement or any of the other Loan Documents in accordance with the instructions of the Required Lenders or, as applicable, all Lenders and each Lender, severally to the extent of its Ratable Share, hereby agrees to indemnify Agent against and hold it harmless from any and all loss it may incur by reason of taking or refraining from taking such action. Agent shall be fully justified in failing or refusing to take any action hereunder and under any other Loan Document unless it shall first be further indemnified to its satisfaction by the Lenders ratably in proportion to their respective Commitments against any and all liability, cost and expense that Agent may incur by reason of taking or continuing to take any such action. If any indemnity or other

assurances furnished to Agent for any purpose shall, in the reasonable opinion of Agent, be insufficient or become impaired, Agent may call for additional indemnity and cease, or not commence, to do the action indemnified against until such additional indemnity is furnished. Under no circumstances shall Agent be required to take any action that Agent in good faith believes (i) could reasonably cause it to incur any loss, or (ii) is in violation of any Legal Requirement.

(e) All communications from Agent to the Lenders requesting the Lenders' determination, consent, approval or disapproval (i) shall be given in the form of a written notice to each Lender, (ii) shall be accompanied by a description of the matter as to which such determination, consent, approval or disapproval is requested, and (iii) shall include the recommendation of Agent. Each Lender shall reply within five (5) Business Days after request for approval, or such lesser time as may be reasonably determined by Agent due to time constraints in the Loan Documents (or other relevant factors) and specified in the request for approval. In the event any Lender fails to reply to a request for approval from Agent within five (5) Business Days or such lesser time, such Lender shall be deemed to have approved (and voted in favor of) Agent's recommendation with respect to any matters set forth in the request.

(f) Except as otherwise provided in the last sentence of this **Section 12.4(f)**, notwithstanding anything to the contrary contained herein, for as long as a Lender is a Defaulting Lender, such Lender shall have no right to vote upon, consent to or direct any action of Agent or the Lenders with respect to the Loan hereunder and for purposes of determining how many or which Lenders constitute the Required Lenders for purposes of voting upon, consenting to or directing any action of Agent, the portion of the outstanding principal amount of the Loan allocated to any Defaulting Lender shall be disregarded for such determination; provided, however, if Agent is the Defaulting Lender, Agent shall continue to have all rights provided for in this Agreement and the other Loan Documents with respect to the administration of the Loan unless and until it is removed as Agent pursuant to **Section 12.20**. Notwithstanding any provision hereof to the contrary, a Lender shall not lose any consent right that it otherwise would have under the Loan Documents as a result of such Lender being subject to any of the circumstances referred to in **subsection (d)** of the definition of Defaulting Lender.

Section 12.5 **Rights as a Lender**. Agent, in its capacity as a Lender, shall have the same rights, powers and obligations hereunder and under any other Loan Document as any Lender and may exercise the same as though it were not Agent, and the term "Lender" or "Lenders" shall, unless the context otherwise indicates, include Agent in its individual capacity. Borrower and each Lender acknowledge and agree that Agent, the Lenders and/or their respective Affiliates may accept deposits from, lend money to, hold other investments in, and generally engage in any kind of banking, trust, debt, equity advisory or other transaction or have other relationships, in addition to those contemplated by this Agreement or any other Loan Document, with Borrower, Guarantor, any other Borrower Party or any of its or their Affiliates. Lenders acknowledge that pursuant to such activities, Agent named herein and its Affiliates may receive information regarding Borrower, any other Borrower Party and their respective Affiliates (including information that may be subject to confidentiality obligations in favor of Borrower, such other Borrower Parties and such Affiliates), and acknowledge and agree that Agent named herein and its Affiliates shall be under no obligation to provide such information to Lenders.

Section 12.6 **Employment of Agents and Advisors**.

(a) Agent may undertake or execute any of its duties hereunder and under any other Loan Document by or through its directors, officers, shareholders, members, partners, managers, employees, agents, and attorneys-in-fact and neither Agent nor any of the foregoing shall have any liability hereunder, except for its or their own gross negligence or willful misconduct.

(b) Agent shall be entitled to rely upon any notice, certification, consent, resolution, certificate, affidavit, letter, e-mail, telegram, statement, paper, document or other communication believed by it to be genuine and correct and to have been signed or sent by or on behalf of the proper Person or Persons, and to rely upon the advice of consultants (including accountants and other experts) selected by Agent.

(c) It is understood and agreed that in the event Agent determines it is necessary to engage counsel for the Lenders from and after the occurrence of a Potential Default or an Event of Default, said counsel shall be selected by Agent. Agent shall be entitled to (and to rely on) advice of counsel concerning all matters pertaining to the agency hereby created and its duties hereunder and under any other Loan Document. Agent selected, and the other Lenders consented to the selection of, Greenberg Traurig LLP as Agent's counsel for all matters in connection with the Loan, the Project and the transactions contemplated by the Loan Documents. Any such legal counsel shall be deemed to be acting on behalf of the Lenders in assisting Agent with respect to the Loan, but shall not be precluded from also representing Agent in any matter in which the interests of Agent and the other Lenders may diverge. If, at any time during the term of the Loan, any Lender shall decide that its interests have become so divergent from the interests of the other Lenders or Agent that it does not feel it is prudent to be represented by the same counsel, such Lender may retain, at its sole cost and expense, its own counsel (but such Lender shall nevertheless remain responsible for its pro rata share of costs, expenses and liabilities including with respect to counsel selected by Agent); provided, however, that notwithstanding any potential divergent interests of the Lenders and any retention of individual counsel, the Lenders agree that the counsel selected by Agent to represent the Lenders generally in connection with the Loan, the Project and the transactions contemplated by the Loan Documents shall remain as counsel for all matters in connection therewith.

Section 12.7 **Reimbursement and Indemnification**.

(a) Each Lender agrees to indemnify and defend Agent and to reimburse Agent promptly on request, ratably: (i) for any amounts (excluding principal and interest on the Loan and loan fees) not reimbursed by Borrower for which Agent is entitled to reimbursement under the Loan Documents; (ii) for any other expenses incurred by Agent on behalf of the Lenders in connection with the preparation, execution, delivery, administration and enforcement of the Loan Documents (including fees of receivers or trustees, court costs, title company charges, filing and recording fees and reasonable attorneys' fees and costs), if not paid by Borrower; (iii) for any expenses incurred by Agent on behalf of the Lenders which may be necessary or desirable to preserve and maintain collateral securing any of the Obligations or to perfect and maintain perfected the Liens upon such collateral, including, without limitation, any

advances made to pay taxes or insurance or otherwise to preserve the Lien of the Mortgage or to preserve and protect the Project; (iv) for any amounts and other expenses incurred by Agent on behalf of the Lenders in connection with any default by any Lender hereunder or under the other Loan Documents, if not paid by such Lender; (v) for any expenses incurred by Agent if Agent employs counsel for advice or other representation (whether or not any suit has been or shall be filed) with respect to its rights and obligations under this Agreement; and (vi) for any liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind which may be imposed on, incurred by or asserted against Agent in any way relating to or arising out of the Loan Documents or any other document delivered in connection therewith or the transactions contemplated thereby, or the enforcement of any of the terms thereof or of any such other documents. Each Lender shall, within five (5) days after a demand therefor, contribute its respective Ratable Share of the actual (or estimated) costs and expenses incurred (or to be incurred) by Agent in accordance with the terms of this Agreement. The obligations of the Lenders under this **Section 12.7** shall survive payment of the Obligations and termination of this Agreement.

(b) Agent shall not have any liabilities or responsibilities to Borrower or any Borrower Party on account of the failure of any Lender to perform its obligations hereunder or under any other Loan Document or to any Lender on account of the failure of Borrower or Borrower Parties or any other Lender to perform its obligations hereunder or under any other Loan Document.

Section 12.8 **Documents**. Each Lender acknowledges that it has received, reviewed and approved of the Loan Documents. Agent on behalf of the Lenders shall hold executed originals of all of the Loan Documents, other than the originals of the Notes, each of which shall be delivered to the relevant Lender named therein. Agent agrees to maintain appropriate accounting records reflecting the Lenders' respective interests in the Loan, which records shall be conclusive, absent manifest error. The Lenders and their respective accountants and consultants shall be permitted to examine and make copies of books and records relating to the Loan at reasonable times upon reasonable prior notice to Agent.

Section 12.9 **No Responsibility for Loan, Recitals, Etc**. Neither Agent nor any of its directors, officers, agents, shareholders, members, partners, managers, employees, attorneys-in- fact or Affiliates shall be responsible or liable for or have any duty to ascertain, inquire into, or verify: (a) any recital, statement, warranty or representation made under or in connection with any Loan Document or any borrowing thereunder; (b) the performance or observance of any of the covenants or agreements of any party to any Loan Document including, without limitation, any agreement by an obligor to furnish information directly to each Lender; (c) the satisfaction of any condition specified herein or in any other Loan Document; (d) the validity, effectiveness, genuineness or enforceability of this Agreement or any other Loan Document or any other instrument or writing furnished in connection therewith; or (e) the value, sufficiency, creation, perfection or priority of any interest in any collateral security for the Obligations.

Section 12.10 **No Representations; Lenders' Credit Decisions**.

(a) Each Lender acknowledges and agrees that Agent has not made any representations or warranties, express or implied, with respect to any aspect of the Loan, Borrower, Guarantor or the Project, including, without limitation (i) the existing or future solvency or financial condition or responsibility of Borrower or Guarantor, (ii) the payment or collectability of the Loan, (iii) the validity, enforceability or legal effect of the Loan Documents, or the title policy or the survey furnished by Borrower, or (iv) the validity or effectiveness of the Lien created by the Mortgage or the other security interests contemplated by the Loan Documents.

(b) Each Lender has made or caused to be made an independent investigation of the Project, Borrower and Guarantor and their creditworthiness, and all other matters affecting such Lender's decision to make its Ratable Share of the Loan. Each Lender acknowledges that Agent or its Affiliates is (or may be) a lender to the Guarantor or its Affiliates under other credit facilities and as a result may from time to time have information regarding the Guarantor or its Affiliates that is not (and will not be made) available to the Lenders under the Loan. Each Lender acknowledges that notwithstanding the fact that Agent may have made available to such Lender certain information contained in Agent's files and certain memoranda prepared by Agent for its general use with respect to the Loan, Agent has made no representations or warranties, oral or written, upon which such Lender has relied or is entitled to rely and such Lender has not relied in any manner upon any such materials which may have been made available to it by Agent or upon any judgment, determination or statements of Agent in entering into this Agreement or in making its Ratable Share of the Loan.

(c) Each Lender acknowledges that it has, independently and without reliance upon Agent or any other Lender, and based on the financial statements and other information prepared by or on behalf of Borrower or Guarantor and such other documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement and the other Loan Documents. Each Lender also acknowledges and agrees that it will, independently and without reliance upon Agent or any other Lender, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under this Agreement and the other Loan Documents. Except for notices, reports and other documents and information actually received by Agent and expressly required to be furnished to Lenders by Agent hereunder, Agent shall not have any duty or responsibility to provide any Lender with any credit or other information concerning the affairs, business, prospects, operations, properties, financial and other condition or creditworthiness of Borrower, Guarantor, any other Borrower Party, any asset manager or any Affiliate thereof which may come into the possession of Agent or any of its Affiliates. Agent shall not be required to file this Agreement, any other Loan Document or any document or instrument referred to herein or therein, for record or give notice of this Agreement, any other Loan Document or any document or instrument referred to herein or therein, to anyone.

(d) Agent maintains internal policies and procedures, standards and/or other documentation that address requirements placed on federally regulated lenders under the federal laws and regulations regarding flood insurance, including the National Flood Insurance Act of

1968 and the Flood Disaster Protection Act of 1973, as amended (the "**Flood Laws**"). Agent, as administrative agent, will post on the applicable electronic platform (or otherwise distribute to each Lender in the syndicate) documents that it receives in connection with the Flood Laws. However, Agent reminds each Lender and Participant in the Loan that, pursuant to the Flood Laws, each federally regulated lender (whether acting as a Lender or Participant in the Loan) is responsible for assuring its own compliance with the flood insurance requirements.

Section 12.11 **Successor Agents**.

(a) Resignation and Removal of Agent. If (i) an Event of Default exists, (ii) Agent is no longer able or willing to agent mortgage loans in the United States or withdraws from the U.S. real estate finance market, or (iii) required by Legal Requirements, Agent may resign at any time from the performance of all its functions and duties hereunder by giving notice thereof to the Lenders and Borrower, such resignation to be effective upon the appointment of a successor Agent or, if no successor Agent has been appointed, the later of (x) thirty (30) days after the retiring Agent gives notice of its intention to resign or (y) on the date set forth in such notice. Additionally, if Agent is grossly negligent or commits willful misconduct or if Agent sells or assigns the entirety of Agent's interest in the Loan, the Required Lenders may remove Agent from its role as Agent for the Lenders, without affecting Agent's rights or obligations as a Lender, such removal to be effective on the date specified by the Required Lenders. Any resignation by Agent hereunder shall not affect its obligations and rights hereunder as a Lender.

(b) Appointment of Successor. Upon the resignation or removal of Agent, or any successor Agent, the Required Lenders shall have the right to appoint, on behalf of Borrower and the Lenders, a successor Agent. Agent may at any time without the consent of Borrower or any Lender, appoint any of its Affiliates as a successor Agent hereunder. No successor Agent shall be deemed to be appointed hereunder until such successor Agent has accepted appointment. Upon the acceptance of any appointment as an Agent hereunder by a successor Agent and upon the execution of a written designation and acceptance, such Agent's resignation shall become effective and such successor Agent shall thereupon succeed to and become vested with all of the rights, powers, privileges and duties of the resigning or removed Agent, and the resigning or removed Agent shall be discharged from its duties and obligations and liabilities hereunder and under the other Loan Documents other than its liability, if any, for duties and obligations accrued prior to its retirement. After any retiring Agent's resignation hereunder as an Agent, the provisions of this **Article 12** shall continue in effect for its benefit in respect of any actions taken or omitted to be taken by it while it was acting as an Agent hereunder and under the other Loan Documents.

(c) Failure to Appoint Successor. If no successor Agent shall have been so appointed by the Required Lenders within thirty (30) days after delivery of notice of resignation or removal, then the departing Agent shall appoint, on behalf of Borrower and the Lenders, a successor Agent. If no successor Agent has accepted appointment as Agent by the effective date of the retiring Agent's resignation or removal, the retiring Agent's resignation or removal shall nevertheless be effective and Lenders shall perform all of the duties of Agent hereunder and Borrower shall make all payments in respect of the Obligations to the applicable Lenders and for

all purposes deal directly with the Lenders, until such time, if any, as the Required Lenders appoint a successor Agent as provided above.

Section 12.12 **Pro Rata Treatment**. Except to the extent otherwise expressly provided herein, (i) the respective interests of the Lenders in the Loan shall be of equal priority with one another and no party shall have priority over the other and (ii) all payments received from Borrower or Guarantor from and after the date hereof on account of principal or interest under the Loan, shall be allocated by Agent *pro rata* among the Lenders in accordance with their respective Ratable Shares.

Section 12.13 **Sharing of Payments**. Each Lender agrees that, in the event a Lender (or any of its Participants) shall obtain payment of any principal of its Notes or of interest thereon or any other sum through the exercise of a right of set-off, banker's lien, counterclaim, or by any other means (including, without limitation, direct payment or pursuant to any Creditors' Rights Law, including, without limitation, the Bankruptcy Code), and such payment results in such Lender (or any such Participant) receiving a greater payment than it would have been entitled to had such payment been paid directly to Agent for disbursement to the Lenders, then such Lender (or any such Participant) shall promptly remit to Agent such excess amounts, and Agent shall promptly remit to the other Lenders, such amounts as shall be equitable, to the end that all Lenders shall share ratably the benefit of such payment, but only to the extent that Agent has received such amounts. Borrower agrees that any Lender purchasing a Participation may, to the fullest extent permitted by Legal Requirements, exercise all rights of payment, including set-off, banker's lien or counterclaim, with respect to such Participations as fully as if such Lender were a holder of the Loan or other obligation in the amount of such Participation. Except as otherwise expressly provided in this Agreement, if any Lender shall fail to remit to Agent or any other Lender an amount payable by such Lender to Agent or such other Lenders pursuant to this Agreement on the date when such amount is due, such payments shall accrue interest thereon, for each day from the date such amount is due until the day such amount is paid to Agent or such other Lender, at the Default Rate. NOTWITHSTANDING ANYTHING CONTAINED HEREIN, NO LENDER MAY EXERCISE ANY RIGHT OF SET-OFF, BANKER'S LIEN, COUNTERCLAIM OR OTHER RIGHT OR REMEDY WITH RESPECT TO BORROWER OR ANY BORROWER PARTY OR ANY PROPERTY WITHOUT AGENT'S CONSENT, WHICH CONSENT SHALL BE GIVEN OR WITHHELD IN AGENT'S SOLE AND ABSOLUTE DISCRETION.

Section 12.14 **Non-Receipt of Funds by Agent**. Unless Borrower notifies Agent prior to the date on which Borrower is scheduled to make payment to Agent of a payment of principal, interest or fees for the account of the Lenders, that it does not intend to make such payment, Agent may assume that such payment has been made. Agent may, but shall not be obligated to, make the amount of such payment available to the intended recipient in reliance upon such assumption. If Borrower has not in fact made such payment to Agent, the recipient of such payment shall, on demand by Agent, repay to Agent the amount so made available together with interest thereon in respect of each day during the period commencing on the date such amount was so made available by Agent until the date Agent recovers such amount at a rate per annum equal to the Adjustable Rate for such day.

Section 12.15 **Payments Received**. All payments actually received by Agent from Borrower for the account of the Lenders shall be disbursed by Agent to the applicable Lenders no later than the next Business Day following the day such payment is received on or before 2:00 p.m. (New York time) on such next Business Day. If payments received by Agent from Borrower are not disbursed to the applicable Lenders the same day as they are received, Agent will use good-faith efforts to cause such funds to be invested overnight and each Lender will receive its Ratable Share of any interest so earned. The Lenders acknowledge that Agent does not guarantee any particular level of return on the overnight funds and that Agent will invest such funds as it deems prudent from time to time.

Section 12.16 **Borrower Default**

(a) Agent shall not be deemed to have knowledge of the occurrence of a Potential Default or of an Event of Default unless Agent has actual knowledge thereof or has received notice from a Lender, Borrower or a Borrower Party specifying such Potential Default or Event of Default and stating that such notice is a "**Notice of Default**." In the event that Agent has actual knowledge of a material Potential Default or receives a notice of the occurrence of a Potential Default or Event of Default, Agent shall give prompt notice thereof to the Lenders. In the event that Agent sends a default notice to Borrower under the terms of the Loan Documents, Agent will promptly deliver to the Lenders copies of the same.

(b) Agent, following consultation with the Lenders if required under this Agreement or any of the other Loan Documents, shall take such action (or refrain from taking such action) with respect to such Potential Default or Event of Default as it shall deem appropriate and in the best interest of the Lenders in Agent's sole and absolute discretion. In no event shall Agent be required to take any action which it determines to be contrary to Legal Requirements or to the Loan Documents. Anything to the contrary contained elsewhere in this Agreement or in any of the other Loan Documents notwithstanding, each of the Lenders acknowledges and agrees that no individual Lender may separately enforce or exercise any of the provisions, rights or remedies of or under any of the Loan Documents, including, without limitation, the Notes, other than by and through Agent.

(c) The Lenders agree to cooperate in good faith and in a commercially reasonable manner in connection with the exercise by Agent of the rights granted to the Lenders by Legal Requirements and the Loan Documents, including, but not limited to, providing necessary information to Agent with respect to the Obligations, preparing and executing necessary affidavits, certificates, notices, instruments and documents and participating in the organization of applicable entities to hold title to the Project. Each Lender agrees that it shall subscribe to and accept its Ratable Share of the ownership interests in any entity organized to hold title to the Project and each such Lender agrees that the nature of such entity shall be determined by Agent.

Section 12.17 **Agency Provisions Relating to Collateral**.

(a) Actions to Preserve Collateral. Agent is hereby authorized by the Lenders on behalf of all Lenders, without the necessity of any notice to or further consent from any Lender, at any time and from time to time, to take any action with respect to any collateral

securing any of the Obligations which may be necessary to preserve and maintain such collateral or to perfect and maintain perfected the Liens upon such collateral.

(b) No Other Obligations With Respect To Collateral. Except as expressly provided in this Agreement, Agent shall have no obligation whatsoever to any Lender or to any other Person to assure that any collateral securing any of the Obligations exists or is owned by Borrower or any Borrower Party or is cared for, protected or insured or has been encumbered or that the Liens granted herein or in any of the other Loan Documents or pursuant hereto or thereto have been properly or sufficiently or lawfully created, perfected, protected or enforced or are entitled to any particular priority.

(c) Cost and Expenses of Enforcement. Should Agent commence any proceeding or in any way seek to enforce Agent's or the Lenders' rights or remedies under the Loan Documents, irrespective of whether as a result thereof Agent shall acquire title to any collateral securing any of the Obligations, each Lender, upon demand therefor from time to time, shall contribute its share (based on its Ratable Share) of the costs and/or expenses of any such enforcement or acquisition, as more fully set forth in **Section 12.7**.

(d) Post-Default Plan. In the event that all or any portion of the collateral securing any of the Obligations is acquired by Agent as the result of the exercise of any remedies hereunder or under any other Loan Document, or is retained in satisfaction of all or any part of the Obligations, title to any such collateral or any portion thereof shall be held in the name of Agent or a nominee or subsidiary of Agent and the Lenders, as agent, for the ratable benefit of the Lenders. Agent shall prepare a recommended course of action for such collateral (the "**Post-Default Plan**"), which shall be subject to the approval of the Required Lenders. Agent shall administer such collateral in accordance with the Post-Default Plan, and upon demand therefor from time to time, each Lender will contribute its Ratable Share of all costs and expenses incurred by Agent pursuant to the Post-Default Plan, including, without limitation, any operating losses and all necessary operating reserves. To the extent there is net operating income from such collateral, Agent shall, in accordance with the Post-Default Plan, determine the amount and timing of distributions to the Lenders. All such distributions shall be made to the Lenders in accordance with their respective Ratable Shares. In no event shall the provisions of this **Section 12.17(d)** or the Post-Default Plan require Agent or any Lender to take any action which would cause Agent or such Lender to be in violation of any applicable Legal Requirement.

Section 12.18 **Rights and Remedies Against a Defaulting Lender**. If any Defaulting Lender fails to fund all or any portion of such Lender's Commitment of the Loan or fails to reimburse Agent for its ratable portion of Agent's costs and expenses pursuant to the terms of this Agreement or any of the other Loan Documents, within five (5) days of demand (the aggregate amount which the Defaulting Lender fails to pay or fund is referred to as the "**Defaulted Amount**"), then, in addition to the rights and remedies that may be available to the other Lenders (the "**Non-Defaulting Lenders**") at law and in equity:

(a) Suspension of Rights. Such Defaulting Lender's right to participate in the administration of the Loan and the Loan Documents, including without limitation, any rights to vote upon, consent to or direct any action of Agent or Lenders shall be suspended and such rights

shall not be reinstated unless and until such default is cured (and for purposes of determining approval or disapproval by the Required Lenders or all the Lenders, the portion of the outstanding principal amount of the Loan allocated to any Defaulting Lender shall be disregarded for such determination); provided, however, that if Agent, in its capacity as a Lender, is a Defaulting Lender, Agent shall continue to have all rights provided for in this Agreement and the other Loan Documents with respect to the administration of the Loan unless and until it is removed as Agent pursuant to **Section 12.11**;

(b) Funding and Subordination of Defaulted Amount.

(i) Any or all of the Non-Defaulting Lenders shall be entitled (but shall not be obligated) to fund the Defaulted Amount, and collect interest at the Default Rate on the Defaulted Amount from a Defaulting Lender (after crediting all interest actually paid by Borrower on the Defaulted Amount from time to time) from amounts otherwise payable to such Defaulting Lender for the period from the date on which the payment was due until the date on which payment is made. If more than one Lender elects to advance a portion of the Defaulted Amount, such Lenders' advances shall be made based on the relative Ratable Shares of the Loan of each advancing Lender or as otherwise agreed to by such Lenders. Each Defaulting Lender agrees to repay on demand each of the Non-Defaulting Lenders who have advanced a portion of such Defaulting Lender's Defaulted Amount;

(ii) In the event a Defaulted Amount is funded by any Non-Defaulting Lenders pursuant to subsection (b)(i) above, the relevant Defaulting Lender's interest in the Loan and the Loan Documents and the proceeds thereof shall be subordinated to any Defaulted Amount funded by any Non-Defaulting Lenders pursuant to subsection (b)(i) above, plus interest which may be due in accordance with subsection (b)(i) above (to be applied pari passu among the Non-Defaulting Lenders funding such Defaulted Amount), without necessity for executing any further documents, provided that such Defaulting Lender's interest in the Loan and the Loan Documents and the proceeds thereof shall no longer be so subordinated if such Defaulted Amount funded by the Non-Defaulting Lenders (and all interest which has accrued pursuant to subsection (b)(i) above) shall be repaid in full;

(iii) To achieve such subordination, (x) Agent shall deduct from the interest due to the relevant Defaulting Lender on its subordinated interest in the Loan the excess of interest on the relevant Defaulted Amount at the rate specified in subsection (b)(i) above over the interest actually received from Borrower by the Non-Defaulting Lenders which funded such Defaulted Amount on account of their portion of such Defaulted Amount for the same time period and (y) all amounts received by Agent on account of principal (or reimbursement for amounts otherwise advanced) which would otherwise be payable to such Defaulting Lender shall be paid pari passu to the Non-Defaulting Lenders until such Defaulted Amount and all interest thereon has been repaid in full, and

(iv) If, following the payment in full of all amounts due pursuant to subsection (b)(ii) above to the Non-Defaulting Lenders who have funded all or any portion of any Defaulted Amount, there remains any Defaulted Amount which has not been funded by the Non-Defaulting Lenders or the relevant Defaulting Lender (an "**Unfunded Defaulted Amount**"), then a portion of such Defaulting Lender's interest in the Loan and the Loan Documents and the proceeds thereof equal to the amount of such Unfunded Defaulted Amount (together with interest thereon at the rate applicable to such Defaulted Amount from time to time pursuant to the Loan Documents) shall be subordinated to the interests of the Non-Defaulting Lenders unless and until such Unfunded Defaulted Amount is funded either by one or more Non-Defaulting Lenders or by such Defaulting Lender. Such portion of such Defaulting Lender's interest, including any proceeds or distributions related thereto, may be used to fund to Borrower the relevant Unfunded Defaulted Amount if and when needed for Project costs.

(c) Continuing Obligation. The failure of any Lender (including a Defaulting Lender) to pay any Defaulted Amount shall not relieve any other Lender of its obligation, if any, hereunder to advance its Ratable Share on the date such advance is required to be made, but no Lender shall be responsible for the failure of any Defaulting Lender to make its Ratable Share on such date.

(d) Replacement of Defaulting Lender.

(i) Borrower, upon three (3) Business Days' written notice to the applicable Defaulting Lender and Agent, may, at any time prior to such time as such Defaulting Lender ceases being a Defaulting Lender, require that such Defaulting Lender transfer all of its right, title and interest under this Agreement and the other Loan Documents, such Defaulting Lender's Notes and the other Loan Documents to a proposed Lender identified by Borrower that is satisfactory to Agent in its sole discretion if (x) such proposed Lender agrees to assume all of the obligations of such Defaulting Lender hereunder, and to purchase all of such Defaulting Lender's Ratable Share of the Loan for an aggregate consideration equal to the sum (the "**Defaulting Lender Purchase Price**") of (A) the aggregate outstanding principal amount of such Defaulting Lender's Ratable Share of the Loan, together with interest thereon to the date of such purchase (to the extent not paid by Borrower), and (B) the applicable Defaulted Amount, together with interest thereon at the non-default rate due from Borrower to the date of such purchase (to the extent not paid by Borrower), and (y) reasonably satisfactory arrangements are made for payment to (1) the Lender(s) who funded the applicable Defaulted Amount and (2) such Defaulting Lender the balance of the Defaulting Lender Purchase Price.

(ii) Notwithstanding anything to the contrary contained herein, a Lender that is not a Defaulting Lender (a "**Replacement Lender**") shall have the right to replace a Defaulting Lender and the rights of such Defaulting Lender shall be assigned to the Replacement Lender, provided that, if more than one Lender elects to replace a Defaulting Lender, then the Required Lenders shall select the Replacement Lender from the nominated Replacement Lenders.

Nothing herein contained shall be deemed or construed to waive, diminish or limit, or prevent or estop Agent, any Lender or Borrower from exercising or enforcing any rights or remedies which may be available at law or in equity as a result of or in connection with any default under this Agreement or the other Loan Documents by a Defaulting Lender. Notwithstanding any provision hereof to the contrary, a Lender shall not lose any consent right that it otherwise would have under the Loan Documents as a result of such Lender being subject to any of the circumstances referred to in subsection (d) of the definition of Defaulting Lender. In addition, no Lender shall be deemed to be a Defaulting Lender if such Lender refuses to fund its Ratable Share of any advance being made after any Event of Default under **Sections 9.7** or **9.8** due to the lack of court approval for such advance.

Section 12.19 **No Relation**. Neither the relationship between Agent and the Lenders, nor the relationship among the Lenders, is intended by the parties to create, and neither shall create, any trust, joint venture or partnership relation between them.

Section 12.20 **Amendments Affecting Agent as Agent**. Notwithstanding anything to the contrary contained in this Agreement, Agent shall not be bound by any waiver, amendment, supplement or modification of this Agreement or any other Loan Document which affects its duties, rights and/or obligations hereunder or thereunder unless it shall have given its prior written consent thereto.

Section 12.21 **No Third-Party Beneficiary**. The provisions of this **Article 12** are solely for the benefit of Agent and Lenders, and neither Borrower nor any other Person shall have any rights as a third party beneficiary of any of the provisions hereof. Borrower acknowledges and agrees that the provisions of this **Article 12** are intended to govern the relationship among the Lenders and Agent, and the provisions of this **Article 12** may accordingly be modified without Borrower's consent, written or otherwise.

ARTICLE 13

ANTI-TERRORISM AND ANTI-MONEY LAUNDERING PROVISIONS

Section 13.1 **Embargoed Persons**. Borrower represents and warrants to Agent and the Lenders that:

(a) none of the funds or other assets of Borrower or of any Affiliate of Borrower constitute property of, or are beneficially owned, directly or indirectly, by, any Person subject to trade restrictions under U.S. Legal Requirements, including, without limitation, those who are covered by the International Emergency Economic Powers Act, 50 U.S.C. §§1701 et. seq. and The Trading with the Enemy Act, 50 U.S.C. App. 1 et. seq., as each of the same may be amended, modified, replaced and/or supplemented from time to time, and any Executive Orders, rules and/or regulations promulgated thereunder (an "**Embargoed Person**") with the result that Lender/AA Exposure could occur;

(b) no Embargoed Person has any interest of any nature whatsoever (whether directly or indirectly) in Borrower with the result that Lender/AA Exposure could occur; and

(c) none of the funds of Borrower have been derived from any unlawful activity with the result that Lender/AA Exposure could occur. "**Lender/AA Exposure**": shall mean any one or more of the following: (i) the Loan is in violation of Legal Requirements, or (ii) the Project or any other collateral for the Loan or any portion thereof (including the Rents (as defined in the Mortgage) or other income to be derived therefrom) is subject to forfeiture or to being frozen, seized, sequestered or otherwise impaired by a Governmental Authority, or (iii) the Loan or any payments made or to be made in respect thereof (including principal and interest) is subject to forfeiture or to being frozen, seized, sequestered or otherwise impaired by a Governmental Authority or (iv) Agent or the Lenders or any of their collateral for the Loan or the Lien priority thereof or any of Agent's or Lenders' rights or remedies in respect of the Loan or the collateral therefor is otherwise impaired or adversely affected, or (v) any of the Lenders or Agent or any of their respective officers, directors, employees or agents is subject to criminal or civil liability or penalty.

Section 13.2 **Patriot Act; OFAC**. Borrower represents and warrants to Agent and the Lenders that neither Borrower nor any of its direct or indirect owners is in violation of the U.S. Federal Bank Secrecy Act and its implementing rules and/or regulations (31 CFR part 103), the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, Public Law 107-56 and the regulations promulgated thereunder, as each of the same may be amended, modified, replaced and/or supplemented from time to time (collectively, the "**Patriot Act**"), any order, rule and/or regulation issued with respect to anti-money laundering by the U.S. Department of the Treasury's Office of Foreign Assets Control ("**OFAC**"), or any other anti-money laundering Legal Requirements with the result that Lender/AA Exposure could occur.

Section 13.3 **Restricted Persons**. Borrower represents and warrants to Agent and the Lenders that (a) neither Borrower nor any of its direct or indirect owners is a Person (i) with whom U.S. Persons are restricted from doing business under (x) rules and/or regulations issued by OFAC (including those Persons named on OFAC's Specially Designated Nationals and Blocked Persons list) or under any U.S. Legal Requirements (including the September 23, 2001, Executive Order Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten to Commit, or Support Terrorism) or (y) any other Legal Requirements, or (ii) who appears on the OFAC List, World Check, the Dow Jones Watch List, the Special Reference List or any other comparable list, domestic or foreign, used by Agent and/or any of the Lenders from time to time, if, with respect to either clause (i) or (ii), Lender/AA Exposure could occur, and (b) without limiting the foregoing, Borrower is not presently funding its obligations hereunder with funds from any of the Persons referred to in this **Section 14.3**, if Lender/AA Exposure could occur.

Section 13.4 **Certain Transfers**.

(a) Anything to the contrary contained in this Agreement or the other Loan Documents notwithstanding, in no event shall a Transfer (1) to an Embargoed Person occur if the result of an Embargoed Person holding any direct or indirect interest in Borrower (at any level) is that Lender/AA Exposure could occur, or (2) be made or suffered to occur if, as a result of such Transfer, there could result a violation of (A) the U.S. Federal Bank Secrecy Act, as amended,

modified, replaced and/or supplemented from time to time, and its implementing rules and/or regulations (31 CFR part 103), including, without limitation, with respect to those Persons named on OFAC's Specially Designated Nationals and Blocked Persons list, (B) the Patriot Act, (C) any order issued with respect to anti-money laundering by OFAC, (D) the Executive Order or (E) any other Legal Requirements which, or the subject matter of which, relates to matters similar to those matters which are addressed by the Legal Requirements referred to in clauses (A) through (D) above if, with respect to clauses (A), (B), (C), (D) or (E), Lender/AA Exposure could occur.

(b) If requested by Agent in connection with any Transfer, Borrower shall certify to Agent and the Lenders that, as a result of such Transfer, there will be no violation of **Section 13.4(a)** above.

ARTICLE 14

ASSIGNMENT AND PARTICIPATION

Section 14.1 **Assignments**. Agent may at any time assign to any of the Lenders or any Person or an Affiliate thereof and, with the consent of Agent, any of the Lenders may at any time assign to any of the other Lenders or to a Person or to an Affiliate of any thereof (each, an "**Assignment**" and each such assignee, an "**Assignee**") all, or a proportionate part of all, of its rights and obligations under this Agreement, the Note and the other Loan Documents, and such Assignee shall assume such rights and obligations, pursuant to an assignment and assumption agreement in Agent's then-current form and executed by such Assignee and the assigning Lender (and accompanied by a processing fee of $4,500.00 payable by such Assignee to Agent, or $7,500.00 for any Defaulting Lender); provided, that in each case, after giving effect to such Assignment, the Assignee's Commitment with respect to such Loan, and, in the case of a partial assignment, the assigning Lender's Commitment with respect to such Loan, each will be equal to or greater than $25,000,000 (or such lesser amount as approved by Agent). Upon (i) execution and delivery of such instrument, (ii) payment by such Assignee to the assigning Lender of an amount equal to the purchase price agreed upon between such Lender and such Assignee, and (iii) payment by the assigning Lender of Agent's processing fee and Agent's counsel's fees and expenses in connection with such assignment, such Assignee shall be deemed a "Lender" under this Agreement and shall have all the rights and obligations of a Lender as set forth in such assignment and assumption agreement, and the assigning Lender shall be released from its obligations hereunder to a corresponding extent accruing from the date of such Assignment, and no further consent or action by any party shall be required. Upon the consummation of any Assignment pursuant to this **Section 14.1**, Borrower agrees to issue substitute Note(s) to the Assignee with respect to the Loan, in exchange for the return of the original(s) thereof issued to such assigning Lender (or for an affidavit of lost note in the event such Lender is unable to locate the same). Assignee shall, prior to the first date on which interest or fees are payable hereunder for its account, deliver to Borrower and Agent a duly completed and signed certification as to exemption from any U.S. federal Withholding Taxes or U.S. federal backup Withholding Taxes in accordance with **Section 2.5**. No Lender shall be permitted to assign any portion of the Loan to Borrower or an Affiliate of Borrower. Anything in this Agreement to the contrary notwithstanding, while an Event of Default exists, Agent may assign all, or a proportionate part

of all, of its rights and obligations under this Agreement, the Note and the other Loan Documents, to any third party that it wishes to assign to other than Borrower or an Affiliate of Borrower.

Section 14.2 **Participations**.

(a) Any of the Lenders may at any time grant to one or more Lenders or other Persons or Affiliates thereof (each, a "**Participant**") participating interests in its Loan (each a "**Participation**"). In the event of any such grant by a Lender of a Participation to a Participant, whether or not Borrower or Agent was given notice, such Lender shall remain responsible for the performance of its obligations hereunder, and Borrower and Agent shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations hereunder. Any agreement pursuant to which any of the Lenders may grant such a Participation shall provide that such Lender shall retain the sole right and responsibility to enforce the obligations of Borrower hereunder and under any of the other Loan Documents; provided, that such participation agreement may provide that such Lender will not agree to any modification, amendment or waiver of this Agreement or any of the other Loan Documents without the consent of the Participant. Each Lender agrees to provide Borrower with notice of all Participations sold by such Lender.

(b) Each Lender agrees to provide Borrower and Agent with notice of all Participations sold by such Lender, and shall acting solely for this purpose as an agent of Borrower, maintain a register on which it enters the name and address of each Participant and the principal amount (and stated interest) of each Participant's interest in the Loans or other obligations under the Loan Documents (whether in one or more systems or collections, collectively, the "**Participant Register**"); provided that no Lender shall have any obligation to disclose all or any portion of the Participant Register (including the identity of any Participant or any information relating to a Participant's interest in any commitments, loans, letters of credit or its other obligations under any Loan Document) to any Person except to the extent that such disclosure is necessary to establish that such commitment, loan, letter of credit or other obligation is in registered form under Section 5f.103-1(c) of the U.S. Treasury Regulations. The entries in the Participant Register shall be conclusive absent manifest error, and such Lender shall treat each Person whose name is recorded in the Participant Register as the owner of such participation for all purposes of this Agreement notwithstanding any notice to the contrary. For the avoidance of doubt, Agent (in its capacity as Agent) shall have no responsibility for maintaining a Participant Register.

(c) Borrower agrees that each Participant shall be entitled to the benefits of **Sections 2.3(d)** and **2.5** (subject to the requirements and limitations therein, including the requirements under **Section 2.5** (it being understood that the documentation required under **Section 2.5** shall be delivered to the participating Lender)) to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to **Section 14.2(b)**, provided that such Participant (A) agrees to be subject to the provisions of **Section 2.5(h)** as if it were an assignee under **Section 14.2(b)**, and (B) shall not be entitled to receive any greater payment under **Section 2.5**, with respect to any participation, than its participating Lender would have

been entitled to receive, except to the extent such entitlement to receive a greater payment results from a Change that occurs after the Participant acquired the applicable participation.

Section 14.3 **Cooperation**. Borrower recognizes that in connection with Lenders' selling of Participations or making of Assignments with respect to the Loan, any or all documentation, financial statements, appraisals and other data, or copies thereof, relevant to Borrower, Guarantor or the Loan, may be exhibited to and retained by any such Participant or Assignee or prospective Participant or Assignee. In connection with a Lender's delivery of any financial statements and appraisals to any such Participant or Assignee or prospective Participant or Assignee, such Lender shall also deliver its standard confidentiality statement indicating that the same are delivered on a confidential basis. Borrower agrees to provide all assistance reasonably requested by a Lender at no cost to Borrower or Guarantor (provided, however, that Borrower and Guarantor shall be responsible for their attorneys' fees and expenses, if any), in order to enable such Lender to sell Participations or make Assignments of its Commitment for the Loan as permitted by this **Article 14**.

Section 14.4 **Federal Reserve Bank**. Any of the Lenders may at any time (without notice to Borrower, Agent or any other Lender and without payment of any fee) assign all or any portion of its rights under this Agreement and the Note to a Federal Reserve Bank as collateral security pursuant to Regulation A and any operating circular issued by the Board of Governors of the Federal Reserve System, and such rights shall be fully transferable as provided therein. No such assignment shall release the assigning Lender from its obligations hereunder.

Section 14.5 **Agent's Register**. Provided Mizuho is not the sole Lender holding Ratable Shares totaling one hundred percent (100%) of the Loan, Agent shall, acting solely for this purpose as an agent of Borrower, maintain a copy of each assignment and assumption agreement delivered to it and a register showing the names and addresses of the Lenders and the Commitment of, and principal amount (and stated interest) of the Loan owing to, each Lender pursuant to the terms hereof from time to time (the "**Agent's Register**"). The entries in Agent's Register shall be conclusive in the absence of manifest error, and Borrower, Agent and the Lenders shall treat each Person whose name is recorded in Agent's Register as the owner of such portion of the Loan or other obligation hereunder as the owner thereof for all purposes of this Agreement and the other Loan Documents, notwithstanding any notice to the contrary. Any Assignment of any portion of the Loan or other obligation hereunder shall be effective only upon appropriate entries with respect thereto being made in Agent's Register. Agent's Register shall be available for inspection by Borrower or any Lender at any reasonable time and from time to time upon reasonable prior notice thereto. Upon satisfaction of all conditions set forth in **Section 14.1**, Agent shall: (a) promptly accept the relevant Assignment; and (b) on the effective date determined pursuant thereto, record the information contained therein in Agent's Register and give notice of such Assignment and recordation to the Lenders and Borrower.

Section 14.6 **Dissemination of Information**. Borrower authorizes each Lender to disclose to any Participant or Assignee or any other Person acquiring an interest in the Loan Documents (each a "**Transferee**") and to any prospective Transferee any and all information in such Lender's possession concerning Borrower, Guarantor, any other Borrower Party and/or the Project.

Section 14.7 **Prohibition of Assignments by Borrower**. Borrower may not assign or attempt to assign its rights under this Agreement or the other Loan Documents.

Section 14.8 **Severance**. Agent shall have the right, at any time prior to an Assignment or Participation pursuant to this **Article 14**, to modify the Loan in order to create one or more notes of equal or varying priority and/or interest rates (including, without limitation, so-called "**A/B Notes**"); provided, that: (a) the Principal Balance of the Loan as of the effective date of such modification equals the Principal Balance of the Loan immediately prior to such modification; and (b) the weighted average stated interest rate of all such notes on the date created shall equal the stated interest rates that were applicable to the Loan immediately prior to such modification of the Loan and such modification does not materially otherwise change the business terms in the Loan. Agent shall have the right to modify the Loan in accordance with this **Section 14.8** upon notice to Borrower in which event such modification shall then be deemed effective. If requested by Agent, Borrower shall promptly execute an amendment to this Agreement, the Note and the other Loan Documents to evidence such modification; provided that such amendment shall have no materially adverse tax consequences to Borrower or any of its direct or indirect owners. Borrower shall, at its own expense, cooperate with all reasonable requests of Agent in order to establish the "component" notes and shall execute and deliver such documents as shall reasonably be required by Agent in connection therewith.

Section 14.9 **Intentionally Omitted**.

ARTICLE 15

INTENTIONALLY OMITTED

[signature pages follow]

EXECUTED as of the date first written above.

AGENT:

MIZUHO CAPITAL MARKETS LLC,
a Delaware limited liability company

By: Mizuho Securities USA LLC,
its Manager

By: /s/ Mirza Kafedzic
Name: Mirza Kafedzic
Title: Managing Director

BORROWER:

250 SEAPORT DISTRICT, LLC,
a Delaware limited liability company

By: /s/ Carlos A. Olea
Name: Carlos A. Olea
Title: Chief Financial Officer

THE LENDERS:

$115,000,000.00

MIZUHO CAPITAL MARKETS LLC,
a Delaware limited liability company

By: Mizuho Securities USA LLC,
its Manager

By: /s/ Mirza Kafedzic
Name: Mirza Kafedzic
Title: Managing Director

Exhibit 10.18
EXECUTION VERSION

CLARK COUNTY LAS VEGAS STADIUM, LLC

$51,231,000.00 4.92% Senior Secured Note

NOTE PURCHASE AGREEMENT

Dated as of July 20, 2018

CLARK COUNTY LAS VEGAS STADIUM, LLC
13355 Noel Rd 22nd Floor
Dallas, Texas 75240
Attention: Legal Department

NOTE PURCHASE AGREEMENT

Re: $51,231,000.00 4.92% Senior Secured Note
Due on the Maturity Date (as defined therein)

Dated as of
July 20, 2018

Wells Fargo Trust Company, National Association, as Trustee
MAC: U1228-051
299 South Main Street, 5th Floor
Salt Lake City, Utah 84111
Attn: Corporate Trust Lease Group
(Las Vegas Ball Park)

Clark County Las Vegas Stadium, LLC, a limited liability company organized under the laws of the State of Delaware (the *"Company"*), agrees with you as follows:

SECTION 1. DESCRIPTION OF NOTE AND COMMITMENT.

Section 1.1 Nature of Financing. The Company desires to borrow funds and to secure repayment of such borrowing with the Company's interest in the Granted Property described below and the payments due and payable under the Naming Rights and Marketing Agreement dated as of the Effective Date (as defined therein) (such agreement as it may heretofore or hereafter be amended, supplemented or modified is hereinafter referred to as, the *"Naming Rights Agreement"*) between the Company, and Las Vegas Convention and Visitors Authority, a local government entity of the State of Nevada *("LVCVA"*). The Ball Park which is the subject of the Naming Rights Agreement (the *"Granted Property"*) is more fully described in the Deed of Trust (hereinafter defined).

Section 1.2 Description of Note. In order to provide for the financing, the Company will authorize the issue and sale of its 4.92% Senior Secured Note due on the Maturity Date (as defined therein) (the *"Note"*) in the principal amount of $51,231,000.00. The Note will be dated the date of issue, will bear interest from the date of issue until maturity at the rate of 4.92% per annum and principal and interest thereon will be paid in installments as provided in the amortization schedule attached as Annex I to the Note. The Note will be otherwise substantially in the form attached hereto as Exhibit A. Interest on the Note will be computed on the basis of a 360-day year of twelve 30-day months. You, the above addressee, are hereinafter sometimes referred to as the *"Purchaser."*

Section 1.3 Security for the Note. The Note will be secured by, among other things, (i) the Deed of Trust, Security Agreement, Assignment of Leases and Rents and Fixture Filing Statement dated as of the date hereof (the *"Deed of Trust"*) from the Company for the benefit of

the Purchaser, creating a valid and perfected first deed of trust lien on the Granted Property, together with the buildings, structures and improvements now or hereafter located thereon, and collaterally assigning, among other things, the Company's right, title and interest in and to the Sponsorship Fees (as defined in the Naming Rights Agreement therein described), (ii) the Security Agreement and Collateral Assignment of Naming Rights and Marketing Agreement dated as of the date hereof from the Company to the Purchaser (the "*Security Agreement*"), and (iii) the Pledge and Security Agreement dated as of the date hereof (the "*Pledge Agreement*") from Summerlin Baseball Club Member, LLC, a Delaware limited liability company (the "*Pledgor*").

Section 1.4 Sale of Note. Subject to the terms and conditions herein contained and on the basis of the representations and warranties hereinafter set forth, the Company agrees to issue and sell to you and you agree to purchase from the Company on the date hereinafter specified, the Note at a price equal to 100% of the principal amount thereof. The Note will be delivered to you on July 20, 2018 (the *"Closing Date"*). Delivery of the Note on the Closing Date will be made at the offices of Mayer Brown LLP, 71 South Wacker Drive, Chicago, Illinois 60606 against payment therefor in Federal or other funds current and immediately available which shall be pursuant to written payment instructions delivered by the Company to you prior to the Closing Date. The Note will be delivered to you on the Closing Date in the principal amount then to be purchased by you, registered in your name or in the name of such nominee as specified on Schedule I attached to the Escrow and Servicing Agreement.

Section 1.5 Advances. Subject to satisfaction of the conditions precedent set forth in Section 3 hereof, the principal amount of the Note will be advanced (each an *"Advance"*) to the Company on the dates set forth in the schedule attached to the Note as Annex I (each such date of advance of principal herein referred to as an *"Advance Date"* and collectively, the *"Advance Dates"*) in the amounts of principal set forth opposite each such Advance Date ("*Advanced Amounts*") in the schedule attached to the Note as Annex I.

All Advances shall be disbursed by the Purchaser to the Construction Escrow Agent under the Construction Escrow Agreement and the Construction Escrow Agent shall deposit into the Project Account the amounts required in accordance with Section 3.1 of the Construction Escrow Agreement and shall disburse the Amount of Interim Interest set forth above opposite each Advance Date to the Escrow Agent under the Escrow and Servicing Agreement for allocation to the note Payment Reserve (as defined in the Escrow and Servicing Agreement).

Section 1.6 Definitions. Capitalized terms not otherwise defined herein shall have the respective meanings ascribed thereto in the Deed of Trust.

SECTION 2. REPRESENTATIONS.

Section 2.1 Representations of the Company. The Company represents and warrants that all representations set forth in Exhibit B hereto are true and correct as of the Closing Date and are hereby incorporated herein by reference with the same force and effect as though herein set forth in full.

Section 2.2 Representations of the Purchaser. You represent that you are purchasing the Note for your own account, for the purpose of investment and not with a view to the distribution thereof, and that you have no present intention of selling, negotiating, or otherwise disposing of the Note, it being understood that the disposition of your property shall at all times be and remain within your control.

SECTION 3. CLOSING CONDITIONS.

Your obligation to purchase and pay for the Note shall be subject to the following conditions precedent:

Section 3.1 Execution and Recordation of Agreements. (a) On or prior to the Closing Date the following documents, in a form satisfactory to you and Special Counsel (hereinafter defined), shall have been duly executed, acknowledged and delivered by all parties thereto, and shall be in full force and effect:

(i) the Deed of Trust;

(ii) the Non-Disturbance and Attornment Agreement;

(iii) the Escrow and Servicing Agreement with Wells Fargo Trust Company, National Association;

(iv) the Indemnity and Guaranty Agreement;

(v) the Hazardous Material Indemnity Agreement;

(vi) the Construction Completion Guaranty;

(vii) the Security Agreement;

(viii) the Collateral Assignment of Construction Agreements;

(ix) the Consent to Collateral Assignment (General Contractor);

(x) the Consent to Collateral Assignment (Architect);

(xi) the Pledge Agreement; and

(xii) the Note.

(b) On or prior to the Closing Date, the foregoing documents described in Section 3.1(a)(i) and (ii) and all necessary financing statements and similar notices, if and to the extent permitted or required by applicable law, shall have been recorded or filed for record in each public office wherein such recording or filing is deemed necessary or appropriate by you or Special Counsel to perfect the liens thereof as against creditors of or purchasers from the Company and the LVCVA. Without limiting the foregoing, all taxes, fees and other charges in connection with the execution, delivery, recording and filing of the foregoing instruments shall have been paid by the Company or allowance therefor shall have been made by the Company.

Section 3.2 Delivery of Closing Items. On or prior to the Closing Date the Company shall have delivered (or you shall have otherwise received) the following items in a form satisfactory to you and Special Counsel:

(a) LVCVA Estoppel Certificate;

(b) ALTA boundary survey;

(c) Title Commitment from a title company acceptable to you;

(d) Phase I Environmental Assessment (no more than six months old);

(e) MAI Appraisal (no more than six months old);

(f) Legal opinion of Mayer Brown LLP, special counsel for the beneficial holders of the loan evidenced by the Note ("*Special Counsel*"), in the form of Exhibit C hereto;

(g) Legal opinion of Haynes and Boone LLP and Holland & Hart LLP, counsel for the Company, in forms satisfactory to you and Special Counsel;

(h) Legal opinion of counsel for the LVCVA, substantially in the form of Exhibit D hereto;

(i) Evidence of any other insurance required by Section 2.15 of the Deed of Trust or the Naming Rights Agreement;

(j) Letter directing LVCVA to make all Naming Rights Agreement payments to the Escrow Agent (signed by the Company);

(k) PZ Report (or other evidence of zoning compliance satisfactory to Purchaser);

(l) Such documents and evidence to establish the existence and good standing of the Company and the authorization of the transactions contemplated by the Operative Agreements; and

(m) All other items described on the closing checklist that is part of the Closing Memorandum delivered in connection with this Agreement.

Section 3.3 Payment of Special Counsel Fees and Expenses. On or prior to the Closing Date, the Company shall have paid all reasonable fees and disbursements of Special Counsel, as reflected in the statement of such Special Counsel delivered on or prior to the date of required payment.

Section 3.4 Waiver of Conditions. If on the Closing Date the Company fails to tender the Note or if the conditions specified in this Section 3 have not been fulfilled, you may thereupon elect to be relieved of all further obligations under this Agreement. Without limiting the foregoing, if the conditions specified in this Section 3 have not been fulfilled, you may waive

compliance by the Company with any such condition to such extent as you may in your sole discretion determine. Nothing in this Section 3.4 shall operate to relieve the Company of any of its respective obligations hereunder or to waive any of your rights against the Company.

SECTION 4. MISCELLANEOUS.

Section 4.1 Transfer of Note. At no cost to the Company, at any time and from time to time the holder of the Note may transfer the Note either (i) by delivery to the Company of written notice of such transfer together with a copy of the instrument of transfer and specifying the name and address of the transferee or (ii) upon surrender thereof at the principal office of the Company duly endorsed or accompanied by a written instrument of transfer duly executed by such holder or its attorney authorized in writing.

Section 4.2 Loss, Theft, Etc. of Note. Upon receipt of evidence satisfactory to the Company of the loss, theft, mutilation or destruction of the Note, and in the case of any such loss, theft or destruction upon delivery of a bond of indemnity in such form and amount as shall be reasonably satisfactory to the Company, or in the event of such mutilation upon surrender and cancellation of the Note, the Company will make and deliver a new Note, of like tenor, in lieu of such lost, stolen, destroyed or mutilated Note. The Company may require the payment of a sum sufficient to cover any stamp tax or governmental charge imposed upon such reissuance. If the Purchaser or any other institutional investor is the owner of any such lost, stolen or destroyed Note, then the affidavit of the President, a Vice President or other responsible officer of such owner, setting forth the fact of loss, theft or destruction and of its ownership of the Note at the time of such loss, theft or destruction shall be accepted as satisfactory evidence thereof and no indemnity shall be required as a condition to execution and delivery of a new Note other than the written agreement of such owner to indemnify and hold the Company harmless.

Section 4.3 Powers and Rights Not Waived; Remedies Cumulative. No delay or failure on the part of the holder of the Note in the exercise of any power or right shall operate as a waiver thereof; nor shall any single or partial exercise of the same preclude any other or further exercise thereof, or the exercise of any other power or right, and the rights and remedies of the holder of the Note are cumulative to and are not exclusive of any rights or remedies any such holder would otherwise have, and no waiver or consent shall extend to or affect any obligation or right not expressly waived or consented to.

Section 4.4 Notices. All communications provided for hereunder shall be in writing and mailed by registered or certified mail or by prepaid overnight air courier and if to you, addressed to you at the address set forth in Section 13 of the Escrow Agreement, or if to the Company, addressed to the Company, at 13355 Noel Rd 22nd Floor, Dallas, Texas 75240, Attention: Legal Department or to such other address as you or the Company shall designate by written notice to the other.

Section 4.5 Reproduction of Documents. The Operative Agreements and all documents relating thereto, including, without limitation, (a) consents, waivers and modifications which may hereafter be executed, (b) documents received by you at the closing of your purchase of the Note (except the Note itself), and (c) financial statements, certificates and other information previously or hereafter furnished to you, may be reproduced by you by any

photographic, photostatic, microfilm, micro-card, miniature photographic or other similar process and you may destroy any original document so reproduced. The Company agrees and stipulates that any such reproduction shall be admissible in evidence as the original itself in any judicial or administrative proceeding (whether or not the original is in existence and whether or not such reproduction was made by you in the regular course of business) and that any enlargement, facsimile or further reproduction of such reproduction shall likewise be admissible in evidence.

Section 4.6 Counterparts. This Agreement may be executed in any number of counterparts, each counterpart constituting an original but all together only one Agreement.

Section 4.7 Successors and Assigns; Survival of Representations. This Agreement and all covenants herein contained shall be binding upon and inure to the benefit of the respective successors and assigns of the parties hereunder. All covenants, representations and warranties made by the Company and the Purchaser herein and made by the Company in any certificates delivered pursuant hereto, whether or not in connection with the closing, shall survive the closing and the delivery of this Agreement and the Note.

Section 4.8 Severability. Should any part of this Agreement for any reason be declared invalid, such decision shall not affect the validity of any remaining portion, which remaining portion shall remain in force and effect as if this Agreement had been executed with the invalid portion thereof eliminated and it is hereby declared the intention of the parties hereto that they would have executed the remaining portion of this Agreement without including therein any such part, parts, or portion which may, for any reason, be hereafter declared invalid.

Section 4.9 Governing Law. This Agreement and the Note shall be governed by and construed in accordance with the laws of the State of Nevada. The Company agrees to the jurisdiction of any federal court located in the State of Nevada and waives any objection based on forum non conveniens, and any objection to venue of any action instituted in any of the aforementioned courts.

Section 4.10 Captions. The descriptive headings of the various Sections or parts of this Agreement are for convenience only and shall not affect the meaning or construction of any of the provisions hereof.

Section 4.11 Concerning the Purchaser. It is expressly understood and agreed by the parties hereto that, (a) this Note Purchase Agreement is executed and delivered by the Purchaser not in its individual or personal capacity but solely in its capacity as Trustee under the Trust Agreement (as defined in the Deed of Trust) on behalf of the Trust (as such terms are defined in the Trust Agreement), in the exercise of the powers and authority conferred and vested in it as Trustee under the Trust Agreement, subject to the rights, protections, indemnities and limitations from liability afforded to the Trustee thereunder; (b) in no event shall Wells Fargo Trust Company, National Association, in its individual capacity have any liability for the representations, warranties, covenants, agreements or other obligations of the Trust (or on behalf of the Trust) hereunder, as to all of which recourse shall be had solely to the Trust Property of the Trust; (c) nothing contained herein shall be construed as creating any liability on Wells Fargo Trust Company, National Association, individually or personally, to perform any expressed or

implied covenant, duty or obligation of any kind whatsoever contained herein; and (d) under no circumstances shall Wells Fargo Trust Company, National Association, be personally liable for the payment of any fees, costs, indebtedness or expenses of any kind whatsoever or, except as set forth in Section 6.01(c) of the Trust Agreement, be personally liable for the breach or failure of any obligation, representation, agreement, warranty or covenant whatsoever made or undertaken by the Trustee or the Trust hereunder.

Section 4.12 Notwithstanding anything contained herein, it is expressly understood that Purchaser is acting as a trustee and whenever any consent, approval, or other action of the Purchaser is contemplated hereby, Purchaser may act in accordance with the instructions of the appropriate percentage of certificate holders (pursuant to the Trust Agreement), or otherwise in accordance with the terms and provisions of the documents creating and relative to the administration of the Purchaser trust, and not on its own discretion.

Section 4.13 Intentionally Omitted.

Section 4.14 Agreement Re: Make-Whole Amount. The parties hereto agree, notwithstanding anything to the contrary set forth in any of the Operative Agreements, as follows:

(a) if the Note is accelerated as a result of an Event of Default (including, without limitation, an Event of Default described in Section 5.1(j) of the Deed of Trust), the principal, accrued unpaid interest and Make-Whole Amount payable on the Note shall equal the principal, accrued unpaid interest and Make-Whole Amount payable in connection with an optional prepayment of the Note under Section 2.12(b) of the Deed of Trust;

(b) any payment on the Note after an acceleration shall be treated as an optional prepayment triggering the obligation to pay the Make-Whole Amount;

(c) the Make-Whole Amount is liquidated damages and a reasonable approximation of the damages to be suffered by Purchaser in the event of payments prior to the original scheduled payments set forth in the amortization schedule set forth on the Note;

(d) the Company hereby waives any provision of any present or future statute, court ruling or law that may prohibit the collection of the Make-Whole Amount in connection with an acceleration;

(e) the Purchaser shall have the right to rescind any acceleration of the Note including, without limitation any acceleration caused by an Event of Default described under Section 5.1 (j) of the Deed of Trust;

(f) the Make-Whole Amount is reasonable and the product of an arm’s length negotiation;

(g) the Make-Whole Amount shall be payable notwithstanding the then prevailing market rates at the time of calculation or payment;

(h) there has a been a course of conduct between the Company and the Purchaser and such parties gave specific consideration for the agreement to pay the Make-Whole Amount;

(i) the Company's agreement to pay the Make-Whole Amount to the Purchaser was a material inducement for the Purchaser to purchase the Note; and

(j) the Make-Whole Amount is consideration for the Note and part of an inducement to the Purchaser to purchase the Note.

Section 4.15 Waiver of Trial By Jury. THE COMPANY HEREBY KNOWINGLY AND FREELY WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, THE RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM, WHETHER IN CONTRACT, TORT OR OTHERWISE, RELATING DIRECTLY OR INDIRECTLY TO THE LOAN EVIDENCED BY THE NOTE, THE APPLICATION FOR THE EXTENSION OF CREDIT EVIDENCED BY THE NOTE, THE DEED OF TRUST OR THE OTHER OPERATIVE AGREEMENTS.

Initials of Company: /s/ GH

[Signature Pages Follow]

The execution hereof by you shall constitute a contract between us for the uses and purposes hereinabove set forth, and this Note Purchase Agreement may be executed in any number of counterparts, each executed counterpart constituting an original but all together only one agreement.

CLARK COUNTY LAS VEGAS STADIUM, LLC, a

Delaware limited liability company

By /s/ Grant Herlitz
Name: Grant Herlitz
Title: President

The foregoing Agreement is hereby confirmed and accepted.

WELLS FARGO TRUST COMPANY, NATIONAL

ASSOCIATION, AS TRUSTEE

By /s/ Joseph H. Pugsley

Name: Joseph H. Pugsley

Title: Vice President

Clark County Las Vegas Stadium, LLC

4.92% Senior Secured Note, Due on the Maturity Date (as defined herein)

No. R-
$51,231,000.00

July 20, 2018

CLARK COUNTY LAS VEGAS STADIUM, LLC, a limited liability company organized under the laws of the State of Delaware (the *"Company"*), for value received, hereby promises to pay to or to the order of Wells Fargo Trust Company, National Association, as Trustee or registered assigns, the principal amount of FIFTY ONE MILLION TWO HUNDRED THIRTY-ONE THOUSAND AND 00/100 DOLLARS ($51,231,000.00) (or the lesser amount outstanding) together with interest on the outstanding amount from the date hereof until maturity at the rate of 4.92% per annum (computed on the basis of a 360-day year of 12 consecutive 30-day months) in installments as follows:

(i) one installment of interest only in the amount of $101,580.23 due and payable on September 15, 2018;

(ii) installments of interest only, if any, each in the amount set forth on the amortization schedule attached hereto as Annex I due and payable on the fifteenth day of each March, June and December during the period from September 15, 2018 to but not including the Principal Amortization Start Date (defined below);

(iii) thirty-nine (39) installments, each consisting of principal and interest in the amount as set forth on the amortization schedule attached hereto as Annex I payable on a semiannual basis on the Principal Amortization Start Date and on the fifteenth day of each June and December thereafter to but not including the Maturity Date; and

(iv) an amount equal to the outstanding principal and accrued interest due and payable on the Maturity Date.

As used herein (i) the term *"Principal Amortization Start Date"* shall mean the earlier of (a) June 15, 2020 and (b) the fifteenth day of the first month in which the Escrow Agent (as defined in the Deed of Trust described below) shall have received the second quarterly payment under the Naming Rights Agreement and (ii) the term *"Maturity Date"* shall mean the fifteenth day of the month which is the thirty-ninth semiannual payment after the month in which the Principal Amortization Start Date has occurred.

Once the Principal Amortization Start Date has been determined and if such Principal Amortization Start Date is different than the one set forth on the original Annex I hereto, then Annex I shall be revised and replaced with an amortization schedule that reflects the actual Principal Amortization Start Date and the actual Maturity Date; *provided* that the amounts due on the Principal Amortization Start Date, the Maturity Date and each payment date in between shall not be different than the amounts set forth for such dates on the original Annex I hereto

The Company further promises to pay interest at the rate of 6.92% per annum (i) on each overdue installment of principal, premium, if any, and (to the extent legally enforceable) upon each overdue installment of interest in each case from and after the due date of each such installment, whether by acceleration or otherwise, until paid and (ii) during the continuance of an Event of Default, on the unpaid balance hereof and on any overdue payment of any Make-Whole Amount. Payments of principal, premium, if any, and interest shall be made in such coin or currency of the United States of America as at the time of payment is legal tender for the payment of public and private debts by check mailed and addressed to the holder hereof at the address set forth on page 1 of the Note Purchase Agreement described below, or, at the option of the holder hereof, in such manner and at such other place in the United States of America as the holder hereof shall have designated to the Company in writing.

This Note is issued under and pursuant to the terms and provisions of the Note Purchase Agreement dated as of the date hereof (the *"Note Purchase Agreement"*) entered into by the Company with Wells Fargo Trust Company, National Association, as Trustee (the *"Purchaser"*) and secured by (i) the Deed of Trust, Security Agreement, Assignment of Leases and Rents and Fixture Filing Statement dated as of the date hereof (the *"Deed of Trust"*) from the Company for the benefit of the Purchaser in respect of the Granted Property described therein, (ii) the Security Agreement and Collateral Assignment of Naming Rights and Marketing Agreement dated as of the date hereof from the Company for the benefit of Purchaser (the "*Security Agreement*"), and (iii) the Pledge and Security Agreement dated as of the date hereof from Summerlin Baseball Club Member, LLC, a Delaware limited liability company (the "*Pledge Agreement*"). This Note and the holder hereof are entitled to all the benefits provided for by the Note Purchase Agreement, the Deed of Trust, the Security Agreement, the Pledge Agreement and the other Operative Agreements, to which Note Purchase Agreement, Deed of Trust, Security Agreement, Pledge Agreement and Operative Agreements reference is hereby made for the statement thereof, including a description of the Granted Property (as defined in the Deed of Trust), the nature and extent of the security and the rights of the holder of the Note and of the Company in respect thereof Capitalized terms not otherwise defined herein shall have the respective meanings ascribed thereto in the Deed of Trust.

This Note may be declared due prior to its expressed maturity date, voluntary prepayments may be made thereon by the Company and certain prepayments are required to be made thereon, all in the events, on the terms and in the manner and amounts as provided in the Deed of Trust.

CLARK COUNTY LAS VEGAS STADIUM, LLC, a

Delaware limited liability company

By _____

Name: Grant Herlitz
Title: President

Exhibit 10.19

EXECUTION VERSION

APN No. 164-01-312-002

This instrument was
prepared by and when recorded
return to:
Daniel J. Favero, Esq.
Mayer Brown LLP
71 South Wacker Drive
Chicago, Illinois 60606

DEED OF TRUST, SECURITY AGREEMENT, ASSIGNMENT OF LEASES AND RENTS AND FIXTURE FILING STATEMENT

Dated as of July 20, 2018

From

CLARK COUNTY LAS VEGAS STADIUM, LLC

(the *"Grantor")*

To

FIRST AMERICAN TITLE INSURANCE COMPANY, A NEBRASKA CORPORATION,
as Deed of Trust Trustee

(the *"Trustee")*

for the benefit of

WELLS FARGO TRUST COMPANY, NATIONAL ASSOCIATION, AS TRUSTEE

(the *"Beneficiary")*

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ATTACHMENTS TO THE DEED OF TRUST:

EXHIBIT A - Legal Description of Real Property

DEED OF TRUST, SECURITY AGREEMENT, ASSIGNMENT OF LEASES AND RENTS AND FIXTURE FILING STATEMENT DATED as of July 20, 2018 (the *"Deed of Trust"),* from Clark County Las Vegas Stadium, LLC, a limited liability company organized under the laws of the State of Delaware (the *"Grantor"),* having its principal office at 13355 Noel Rd 22nd Floor, Dallas, Texas 75240, to First American Title Insurance Company, a Nebraska corporation, as Deed of Trust Trustee (the *"Trustee")* whose address is 2500 Paseo Verde Parkway #120, Henderson, Nevada 89074, for the benefit of Wells Fargo Trust Company, National Association, as Trustee, as trustee under that certain Pass-Through Trust Agreement and Declaration of Trust dated as of the date hereof (the *"Beneficiary"),* whose address is MAC: UI228-051, 299 South Main Street, 5th Floor, Salt Lake City, Utah 84111.

This Deed of Trust is also a Security Agreement and financing statement under the Uniform Commercial Code of the State of Nevada and in compliance therewith the following information is set forth:

1. The names and addresses of the Debtor and Secured Party are:

Debtor:	Clark County Las Vegas Stadium, LLC 13355 Noel Rd 22nd Floor Dallas, Texas 75240 Attention: Legal Department
Secured Party:	Wells Fargo Trust Company, National Association, as Trustee MAC: U1228-051 299 South Main Street, 5th Floor Salt Lake City, Utah 84111 Attention: Corporate Trust Lease Group LVCVA (Las Vegas, NV)

2. The property covered by this Security Agreement and financing statement is described in the Granting Clauses hereof.

3. Some or all of the fixtures, equipment and other property described herein are or may become fixtures.

4. The Debtor is the record owner of the real estate described in Exhibit A attached hereto and made a part hereof.

RECITALS

A. The Grantor and the Beneficiary have executed and delivered the Note Purchase Agreement dated as of the date hereof (the *"Note Purchase Agreement")* providing for the commitment of the Beneficiary to purchase the 4.92% Senior Secured Note, due on the Maturity Date (as defined therein) (the *"Note")* of the Grantor in the principal amount of up to $51,231,000.00, to be dated the date of issue, expressed to bear interest from the date of issue until maturity at the rate of 4.92% per annum and will amortize as set forth in the amortization

schedule attached thereto. Interest on the Note will be computed on the basis of a 360-day year of twelve 30-day months.

B. The Grantor has entered into the Naming Rights and Marketing Agreement dated as of the Effective Date (as defined therein) related to the Property described in Granting Clause First below with Las Vegas Convention and Visitors Authority, a government entity of the State of Nevada (the *"LVCVA "*) (such Naming Rights and Marketing Agreement as it may heretofore or hereafter be amended, supplemented or modified and any replacement or substitution thereof is herein referred to as the *"Naming Rights Agreement")* and is assigning all of its right, title and interest in and to the Sponsorship Fees (as defined in the Naming Rights Agreement) to the Beneficiary pursuant to this Deed of Trust and that certain Security Agreement and Collateral Assignment of Naming Rights and Marketing Agreement dated as of the date hereof from the Grantor to the Beneficiary (the *"Security Agreement").*

C. The Note, as may be amended from time to time, and all principal thereof, premium, if any, and interest thereon and all additional amounts and other sums at any time due and owing from, and required to be paid by the Grantor under the terms of the Note, the Note Purchase Agreement, this Deed of Trust and the other Operative Agreements (as defined herein) are collectively hereinafter sometimes referred to as the *"Indebtedness Hereby Secured. "*

D. The Grantor is duly authorized under all applicable provisions of law and its Organizational Documents (as defined herein) to issue the Note, to execute and deliver this Deed of Trust and to encumber, convey and assign the Granted Property (as defined herein) to the Beneficiary as security for the Indebtedness Hereby Secured and all action and all consents, approvals and other authorizations and all other acts and things necessary to make this Deed of Trust the valid, binding and legal instrument for the security of the Indebtedness Hereby Secured have been done and performed.

NOW, THEREFORE, THIS DEED OF TRUST WITNESSETH: That the Grantor, in consideration of the premises, the purchase and acceptance of the Note by the Beneficiary and of the sum of Ten Dollars received by the Grantor from the Beneficiary and other good and valuable consideration, receipt whereof is hereby acknowledged, and in order to secure the payment of the principal of, premium, if any, and interest on the Note according to its tenor and effect, and to secure the payment of all other Indebtedness Hereby Secured and the performance and observance of all the covenants, agreements and conditions contained in or incorporated by reference into the Note, this Deed of Trust, the Note Purchase Agreement or the other Operative Agreements, the Grantor docs hereby grant, warrant, assign, pledge, sell, demise, bargain, convey, transfer, set over and hypothecate unto the Trustee in trust for the benefit of the Beneficiary, its successors and assigns, forever, With Power of Sale, and right of entry and possession to the extent permitted by law, and grants to the Trustee for the benefit of the Beneficiary, its successors and assigns, forever, a security interest in and to all and singular the following described properties, rights, interest and privileges and all of the Grantor's estate, right, title and interest therein, thereto and thereunder (all of which properties, rights, interests and privileges hereby encumbered, assigned, pledged and hypothecated or intended so to be are hereinafter collectively referred to as the *"Granted Property"*):

GRANTING CLAUSE FIRST

THE PROPERTY

The parcel of land in County of Clark, City of Summerlin, State of Nevada, described in Exhibit A attached hereto and made a part hereof, together with the entire interest of the Grantor in and to all buildings, structures, improvements and appurtenances now standing, or at any time hereafter constructed or placed, upon such land, including all right, title and interest of the Grantor, if any, in and to all building material, building equipment and fixtures of every kind and nature whatsoever on said land or in any building, structure or improvement now or hereafter standing on said land which are classified as fixtures under applicable law and which are used in connection with the operation, maintenance or protection of said buildings, structures and improvements as such (including, without limitation, all boilers, air conditioning, ventilating, plumbing, heating, lighting and electrical systems and apparatus, all communications equipment and intercom systems and apparatus, all sprinkler equipment and apparatus and all elevators and escalators) and the reversion or reversions, remainder or remainders, in and to said land, and together with the entire interest of the Grantor in and to all and singular the tenements, hereditaments, easements, rights of way, rights, privileges and appurtenances to said land, belonging or in anywise appertaining thereto, including, without limitation, the entire right, title and interest of the Grantor in, to and under any streets, ways, alleys, gores or strips of land adjoining said land, and all claims or demands whatsoever of the Grantor either in law or in equity, in possession or expectancy, of, in and to said land, it being the intention of the parties hereto that, so far as may be permitted by law, all property of the character hereinabove described, which is now owned or is hereafter acquired by the Grantor and is affixed or attached or annexed to said land, shall be and remain or become and constitute a portion of said land and the security covered by and subject to the lien of this Deed of Trust, together with all accessions, parts and appurtenances appertaining or attached thereto and all substitutions, renewals or replacements of and additions, improvements, accessions and accumulations to any and all thereof, and together with all rents, income, revenues, awards, issues and profits thereof, and the present and continuing right to make claim for, collect, receive and receipt for any and all of such rents, income, revenues, awards, issues and profits arising therefrom or in connection therewith (collectively, the *''Property")*.

GRANTING CLAUSE SECOND

THE NAMING RIGHTS AGREEMENT, ALL LEASES, RENTS AND LEASE GUARANTIES

The all Leases (defined below), if any, and all of the Grantor's estate, right, title, interest, claim and demand in, to and under all Leases and, after the occurrence and during the continuance of an Event of Default, the Naming Rights Agreement and all of Grantor's estate, right, title, interest, claim and demand in, to and under the Naming Rights Agreement, including all extensions and renewals of the term thereof, and all existing or future amendments, supplements or modifications of the Naming Rights Agreement and all Leases (and to any short memorandum form of the Naming Rights Agreement and all Leases executed for recording purposes), together with all rights, powers, privileges, options and other benefits of the Grantor, if any, in, to and under all Lease Guaranties (as defined herein), if any, and all rights, powers, privileges, options and other benefits of the Grantor under the Naming Rights Agreement and all

Leases, including, without limitation, (a) the immediate and continuing right (whether or not an Event of Default under this Deed of Trust shall have occurred and be continuing) to receive and collect all Sponsorship Fees and all other payments and all rents (whether as sponsorship fee, fixed rent, basic rent, percentage rent, additional rent or otherwise), income, revenues, issues, profits, insurance proceeds, condemnation awards, bankruptcy claims, liquidated damages, purchase price proceeds and other payments, tenders and security payable to or receivable by the Grantor under the Naming Rights Agreement and all Leases; (b) if the LVCVA exercises any right, the right and power (such power and right being coupled with an interest) to, after the occurrence and during the continuance of an Event of Default, execute and deliver as agent and attorney-in-fact of the Grantor under the Naming Rights Agreement and all Leases, an appropriate deed or other instruments of transfer necessary or appropriate for the conveyance and transfer to the purchaser of the Granted Property or the portion thereof being so purchased, and all interest of the landlord therein and to perform in the name and for and on behalf of the landlord, as such agent and attorney-in-fact, any and all other necessary or appropriate acts with respect to any such purchase, conveyance and transfer; (c) the right to make all waivers, consents and agreements; (d) the right to give and receive copies of all notices and other instruments or communications; (e) the right to take such action upon the occurrence of an event of default or default under the Naming Rights Agreement, any Leases and the Lease Guaranties, including the commencement, conduct and consummation of legal, administrative or other proceedings, as shall be permitted by the Naming Rights Agreement, all Leases, the Lease Guaranties, or by law; and (f) the right to do any and all other things whatsoever which the Grantor or any landlord is or may be entitled to do under the Naming Rights Agreement, all Leases and the Lease Guaranties, or by law.

GRANTING CLAUSE THIRD

CONDEMNATION AWARDS

All of the right, title and interest of the Grantor in and to any award or awards or settlements or payments heretofore made or hereafter to be made by any municipal, county, state or federal authorities to the present or any subsequent owners of the Granted Property, including without limitation any award or awards, or settlements or payments, hereafter made resulting from (i) condemnation proceedings or the taking of the Granted Property, or any part thereof, under the power of eminent domain; or (ii) the alteration of grade or the location or the discontinuance of any street adjoining the Granted Property or any portion thereof, or (iii) any other injury to or decrease in value of the Granted Property; and the Grantor hereby agrees to execute and deliver from time to time such further instruments as may be requested by the Beneficiary to confirm such assignment to Beneficiary of any such award, damage, payment or other compensation.

GRANTING CLAUSE FOURTH

PERSONAL PROPERTY

All tangible and intangible personal property now owned or at any time hereafter acquired by the Grantor of every nature and description, and used in any way in connection with the Granted Property, or any other portion of the same, including, without limitation, all

inventory; goods; materials; supplies; equipment; furnishings; fixtures; accounts; accounts receivable; chattel paper; documents; instruments; investment property; money; bank accounts (including, without limitation, the Escrow Reserves (as defined in the Escrow and Servicing Agreement (as defined herein)) and any accounts or reserves held by Beneficiary or by the Escrow Agent (as defined herein) under the terms of the Escrow and Servicing Agreement); deposit accounts; security deposits; claims to rebates, refunds or abatements of real estate taxes or any other taxes; contract rights (including, without limitation, the Grantor's rights to receive Sponsorship Fees under the Naming Rights Agreement), plans and specifications; permits, licenses and general intangibles; the rights of the Grantor under contracts, with respect to the Granted Property or any portion thereof; signs, brochures, advertising and good will.

GRANTING CLAUSE FIFTH

OTHER AND AFTER-ACQUIRED PROPERTY

Any and all moneys and other property (including each amendment or supplement to any and all instruments included in the Granted Property) which may from time to time, by delivery to the Trustee or the Beneficiary or by any instrument, including this Deed of Trust, be subjected to the lien hereof by the Grantor or by anyone on the behalf of the Grantor or with the consent of the Grantor, or which may come into the possession or be subject to the control of the Trustee or the Beneficiary pursuant to this Deed of Trust, or pursuant to any instrument included in the Granted Property, it being the intention of the Grantor and the Beneficiary and it being hereby agreed by them that all property hereafter acquired by the Grantor and required to be subjected to the lien of this Deed of Trust or intended so to be shall forthwith upon the acquisition thereof by the Grantor be as fully embraced within the lien of this Deed of Trust as if such property were now owned by the Grantor and were specifically described in this Deed of Trust and granted hereby or pursuant hereto.

GRANTING CLAUSE SIXTH

PROCEEDS, PRODUCTS, PROFITS, OFFSPRING, ETC.

All proceeds of the conversion, voluntary or involuntary, of any of the foregoing into cash or other liquidated claims, including, without limitation, all proceeds of insurance and condemnation awards and payments and all products, offspring, profits, additions, accessions, substitutions and replacements of any of the foregoing it being intended that all Granted Property, including without limitation, any and all such proceeds, products, offspring, profits, additions, accessions, substitutions and replacements, owned or held by the Company prior to any bankruptcy filing or similar action or proceeding shall continue to be subject to the lien of this Deed of Trust after any such bankruptcy filing or similar action or proceeding.

SUBJECT, HOWEVER, as to all property or rights in property at any time subject to the lien hereof (whether now owned or hereafter acquired), to the following:

(a) The agreement of the parties hereto that any and all improvements, trade fixtures, signs, furniture, furnishings, equipment, machinery or other tangible or intangible personal property located on the Granted Property not owned by the Grantor,

whether or not classified as fixtures under applicable law, are expressly excluded from the lien and security interest created by this Deed of Trust, and that the same shall in no instance be deemed to be encompassed within the term *"GrantedProperty",* and

(b) The Permitted Encumbrances, as defined in Section 1 hereof; and

(c) Excepted Rights.

TO HAVE AND TO HOLD the Granted Property unto the Trustee for the benefit of the Beneficiary and its successors and assigns, in fee simple title forever, with the purpose of securing performance of each agreement, covenant and warranty of the Grantor contained in the Operative Agreements and payment of all Indebtedness Hereby Secured.

IN TRUST, NEVERTHELESS, WITH POWER OF SALE (to the extent permitted by law), upon the terms and trusts herein set forth for the benefit and security of all present and future holders of the Indebtedness Hereby Secured in accordance with its terms and all other sums payable hereunder or under the Note, and for the performance and observance of the Note and this Deed of Trust, all as herein set forth.

PROVIDED, NEVERTHELESS, and these presents are upon the express condition that if the Grantor performs the covenants herein contained and pays to the Beneficiary, its successors or assigns, the full amount of all Indebtedness Hereby Secured, the estate, right and interest of the Beneficiary in the property hereby conveyed shall cease and this Deed of Trust shall be reconveyed.

It is agreed and understood by the parties hereto that:

1. This Deed of Trust is intended to and shall constitute security for the entire Indebtedness Hereby Secured.

2. Any part of the security herein described, and any security described in any other deed of trust, assignment of lease or other instrument now or hereafter given to secure the indebtedness which is secured by this Deed of Trust, may be released by the Beneficiary without affecting the lien hereof on the remainder.

3. The Grantor for itself and all who may claim through or under it waives any and all right to have the property and estates comprising the Granted Property marshalled upon any foreclosure of the lien hereof, or to have the Granted Property hereunder and the property covered by any other deed of trust or assignment of lease securing the Note marshalled upon any foreclosure of any of said deeds of trust or assignments of leases, and agrees that any court having jurisdiction to foreclose such lien may order the Granted Property sold as an entirety.

4. Upon the occurrence and during the continuance of an Event of Default hereunder, the Beneficiary has, among other things, the right to foreclose on the Granted Property and dispose of the same. To the extent permitted by law, the Beneficiary's deed or other instrument of conveyance, transfer or release (which, if permitted by law, may be in the name of the Beneficiary or as attorney for the Grantor and the Beneficiary hereby

is irrevocably appointed) shall be effective to convey and transfer to the grantee an indefeasible title to the property covered thereby, discharged of all rights of redemption by the Grantor or any person claiming under it, and to bar forever all claims by the Grantor or the said Beneficiary to the property covered thereby and no grantee from the Beneficiary shall be under any duty to inquire as to the authority of the Beneficiary to execute the same, or to see to the application of the purchase money.

5. The assignment made under Granting Clause Second and Section 2.18 hereof is executed as a present, unconditional and absolute assignment and not merely as collateral security, and the execution and delivery of this Deed of Trust shall not in any way impair or diminish any obligations of the Grantor under the Naming Rights Agreement nor impair, affect or modify any of the terms and conditions of the Note or the Note Purchase Agreement, nor shall any of such obligations be imposed upon the Trustee or the Beneficiary, including but not limited to collecting Sponsorship Fees or other payments or enforcing performance by the LVCVA. Without limiting the generality of the foregoing, the Beneficiary shall not be obligated to perform or discharge, nor does the Beneficiary hereby undertake to perform or discharge, any obligation, duty or liability under the Naming Rights Agreement, or under or by reason of this Deed of Trust; and it is further understood and agreed that this Deed of Trust shall not operate to place responsibility for the control, care, management or repair of the Granted Property upon the Beneficiary, nor for the carrying out of any of the terms and conditions of the Naming Rights Agreement, nor shall it operate to make the Beneficiary responsible or liable for any waste committed on the Granted Property by the LVCVA or any other parties, or for any dangerous, non-complaint or defective condition of the Granted Property, or for any negligence of the management, upkeep, or repair or control of the Granted Property resulting in loss or injury or death to any tenant, licensee, employee or stranger. The Beneficiary may, at its option, although it shall not be obligated to do so, after giving written notice to the LVCVA and the Grantor, perform any Naming Rights Agreement covenant for and on behalf of the Grantor and may recover any money advanced, for any such purpose from the Grantor on demand, with interest at the Default Rate (as defined herein) (or at the maximum rate permitted by applicable law, whichever is less) from date of advancement. Upon the payment of the principal of (and premium, if any) and all interest on the Note and of all other sums payable on the Note or under the Note Purchase Agreement or this Deed of Trust or any other Operative Agreement and the performance and observance of the provisions thereof, this Deed of Trust shall cease and terminate and all the estate, right, title, interest, claim and demand of the Grantor under the Naming Rights Agreement in and to the above-described assigned property shall revert to the Grantor under the Naming Rights Agreement, and the Beneficiary shall at the request of the Grantor deliver to the Grantor an instrument cancelling the collateral assignment of Sponsorship Fees set forth in this Deed of Trust and reassigning the above-described assigned property to the Grantor.

6. The Grantor does hereby irrevocably constitute and appoint the Beneficiary, its true and lawful attorney with full power of substitution, for it and in its name, place and stead, to, after the occurrence and during the continuance of an Event of Default, ask, demand, collect, receive, receipt for, sue for, compound and give acceptance for any and all Sponsorship Fees, payments, rents, income and other sums which are

assigned under the Granting Clauses of this Deed of Trust with full power to sue for, settle, adjust or compromise any claim thereunder as surely as the Grantor could itself do and to endorse the name of the Grantor on all commercial paper given in payment or in part payment thereof, and in its discretion to file any claim or take any other action or proceedings either in its own name or in the name of the Grantor or otherwise, which the Beneficiary may deem necessary or appropriate to protect and preserve the right, title and interest of the Beneficiary in and to such Sponsorship Fees, payments, rents and other sums and the security intended to be afforded by this Deed of Trust.

SECTION 1. DEFINITIONS.

The following terms shall have the following meanings for all purposes of this Deed of Trust (any capitalized terms not otherwise defined herein shall have the meanings set forth therefor in the Note Purchase Agreement):

"Affiliate" of any specified Person, shall mean any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person, and any immediate family member of such specified Person and their Affiliates. For the purposes of this definition, *"control"* when used with respect to any specified Person means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms *"controlling"* and *"controlled"* have meanings correlative to the foregoing.

"Bankruptcy Claims" is defined in Section 2.18(a) of this Deed of Trust.

"Bankruptcy Code " is defined in Section 2.18(a) of this Deed of Trust.

"Beneficiary" shall mean Wells Fargo Trust Company, National Association, as Trustee under that certain Pass-Through Trust Agreement and Declaration of Trust dated as of the Closing Date, and its successors and assigns.

"Closing Date" is defined in the Note Purchase Agreement.

"Collateral Assignment of Construction Agreements" shall mean that certain Collateral Assignment of Contracts and Plans and Other Agreements Affecting Real Estate dated as of the date hereof from the Existing Indemnitors in favor of the Beneficiary.

"Construction Completion Guaranty" shall mean that certain shall mean that certain Hazardous Material Indemnity Agreement dated as of the date hereof from the Existing Indemnitors in favor of the Beneficiary.

"Construction Escrow Agreement" shall mean that certain Construction Escrow Agreement dated as of the date hereof among the Grantor, the Beneficiary, Wells Fargo Trust Company, National Association, in its capacity as Construction Escrow Agent and the Construction Monitor.

"Construction Monitor" shall mean Trimont Real Estate Advisors, its successors and assigns.

"Default" shall mean any event which would constitute an Event of Default if any requirement in connection therewith for the giving of notice, or the lapse of time, or the happening of any further condition, event or action had been satisfied.

"Default Rate " shall mean 6.92% per annum.

"Environmental Legal Requirement" shall mean any applicable local, state or federal law, common law, statute, ordinance, rule, regulation or legally binding requirement relating to public health, safety or the environment, including, without limitation, relating to releases, discharges or emissions to air, water, land or groundwater, to the withdrawal or use of groundwater, to the use and handling of polychlorinated biphenyls or asbestos, to the disposal, transportation, treatment, storage or management of solid or hazardous wastes or to exposure to toxic or hazardous materials, to the handling, transportation, discharge or release of gaseous or liquid substances and any regulation, order, notice or demand issued pursuant to such law, statute, ordinance, rule or regulation, in each case applicable to the property of the Grantor and its Subsidiaries or the operation, construction or modification of any thereof, including without limitation the following: the Clean Air Act, the Federal Water Pollution Control Act, the Safe Drinking Water Act, the Toxic Substances Control Act, the Comprehensive Environmental Response Compensation and Liability Act as amended by the Superfund Amendments and Reauthorization Act of 1986, the Resource Conservation and Recovery Act as amended by the Solid and Hazardous Waste amendments of 1984, the Occupational Safety and Health Act, the Emergency Planning and Community Right-to-Know Act of 1986, the Hazardous Materials Transportation Act, the Solid Waste Disposal Act, all as amended, and any local, state or federal laws, statutes, ordinances, rules or regulations addressing similar matters, and any local, state or federal law, statute, ordinance, rule or regulation providing for financial responsibility for cleanup or other actions with respect to the release or threatened release of hazardous substances.

"Escrow Agent" shall mean Wells Fargo Trust Company, National Association, as Escrow Agent under the Escrow and Servicing Agreement, and its successors and assigns.

"Escrow and Servicing Agreement" shall mean that certain Escrow and Servicing Agreement dated as of the date hereof among the Grantor, the Beneficiary and the Escrow Agent.

"Escrow Shortfall" is defined in the Escrow and Servicing Agreement.

"Event of Default" shall mean any events specified in Section 5.1 hereof including all notice, cure and grace periods.

"Event of Loss" with respect to the Granted Property shall mean any casualty or condemnation described in the Naming Rights Agreement.

"Excepted Rights" as defined in the Security Agreement.

"Existing Guarantor" shall mean the owner (directly or indirectly) of the Grantor acting as guarantor under the Indemnity and Guaranty Agreement.

"Existing Indemnitor" shall mean the owner (directly or indirectly) of the Grantor acting as indemnitor under the Hazardous Material Indemnity Agreement.

"Existing Owner" is defined in Section 2.3(h) of this Deed of Trust.

"Granted Property" is defined in the Recitals hereto.

"Grantor" shall mean not only Clark County Las Vegas Stadium, LLC, but also its successors and assigns.

"Hazardous Material" shall mean any hazardous, toxic or harmful chemical, substance, waste, material, byproduct, pollutant, contaminant, compound or product, including without limitation, asbestos, polychlorinated byphenyls, petroleum products (including crude oil or any fraction thereof), flammable explosives, radioactive materials, mold, mildew, infectious substances or raw materials which include hazardous constituents and any other substance or material the exposure, use, disposal or handling of which is regulated by any Environmental Legal Requirement.

"Hazardous Material Indemnity Agreement" shall mean that certain Hazardous Material Indemnity Agreement dated as of the date hereof from the Existing Indemnitors and the Grantor in favor of the Beneficiary.

"Improvements" means all buildings, structures, fixtures, additions, enlargements, extensions, modifications, repairs, replacements, improvements and appurtenances now standing, or at any time hereafter constructed or placed, upon the land described on Exhibit A hereto.

"Indebtedness" of any Person shall mean, without duplication (a) all obligations of such Person for borrowed money or which have been incurred in connection with the acquisition of property or assets, (b) rents payable by such Person under all leases (whether or not capitalized on the books of such Person in accordance with generally accepted accounting principles) having a fixed term of one year or more from the original date or which are renewable or extendible by the lessee for a period or periods aggregating one year or more from the original date, (c) all indebtedness, obligations and liabilities secured by any lien existing on property owned by such Person subject to such lien, whether or not such indebtedness, obligations or liabilities have been assumed, and (d) all guarantees (whether by discount or otherwise), endorsements (other than for collection or deposit in the ordinary course of business) and other contingent obligations to purchase, or otherwise acquire, or become liable upon or in respect of, the indebtedness, obligations or liabilities of any Person or other entity whether or not reflected in the balance sheet of such Person.

"Indebtedness Hereby Secured" is defined in Recital C hereto.

"Indemnified Liabilities" is defined in Section 2.24 of this Deed of Trust.

"Indemnitor" shall mean any Existing Indemnitor or any Successor Indemnitor.

"Indemnity and Guaranty Agreement" shall mean that certain Indemnity and Guaranty Agreement dated as of the date hereof from the Existing Guarantors in favor of the Beneficiary.

"Investment Grade" shall mean a rating of "BBB" or better, as rated by Standard & Poor's Rating Services, a division of The McGraw-Hill Companies, Inc. or a rating of "Baa" or better, as rated by Moody's Investor Service, Inc.

"Lease Assignment" shall mean the assignment of the Leases, the Lease Guaranties and Rents set forth in Granting Clause Second and Section 2.18 of this Deed of Trust.

"Lease Guarantor" is defined in Section 2.18(a) of this Deed of Trust.

"Lease Guaranty" is defined in Section 2.18(a) of this Deed of Trust.

"Leases" is defined in Section 2.18(a) of this Deed of Trust.

"Liquid Assets" shall mean only cash in bank accounts, short term treasury bills and notes of the United States of America, money market shares, bank certificates of deposit and other marketable securities.

"Loan" is defined in Section 6.12 of this Deed of Trust.

"LVCVA" shall mean not only Las Vegas Convention and Visitors Authority, a local government entity of the State of Nevada, but also its successors and assigns.

"Make-Whole Amount" means, with respect to the Note the greater of (i) 1.00% of the then outstanding principal amount of the Note and (ii) the excess, if any, of the Discounted Value of the Remaining Scheduled Payments with respect to the Called Principal of such Note over the amount of such Called Principal, *provided* that the Make-Whole Amount may in no event be less than zero. For the purposes of determining the Make-Whole Amount, the following terms have the following meanings:

"Called Principal" means, with respect to the Note, the principal of such Note that is to be prepaid pursuant to Section 2.12 of this Deed of Trust or has become or is declared to be immediately due and payable pursuant to Section 5.2 of this Deed of Trust, as the context requires.

"Discounted Value " means, with respect to the Called Principal of the Note, the amount obtained by discounting all Remaining Scheduled Payments with respect to such Called Principal from their respective scheduled due dates to the Settlement Date with respect to such Called Principal, in accordance with accepted financial practice and at a discount factor (applied on the same periodic basis as that on which interest on the Note is payable) equal to the Reinvestment Yield with respect to such Called Principal.

"Reinvestment Yield" means, with respect to the Called Principal of the Note, 0.50% over the yield to maturity implied by (i) the yields reported, as of 10:00 A.M. (New York City time) on the second Business Day preceding the Settlement Date with respect to such Called Principal, on the display designated as "Page PX-1" on the Bloomberg Financial Markets (or such other display as may replace Page PX-1 on the Bloomberg Financial Markets) for actively traded U.S. Treasury securities having a maturity equal to the Remaining Average Life of such Called Principal as of such

Settlement Date, or (ii) if such yields are not reported as of such time or the yields reported as of such time are not ascertainable, the Treasury Constant Maturity Series Yields reported, for the latest day for which such yields have been so reported as of the second Business Day preceding the Settlement Date with respect to such Called Principal, in Federal Reserve Statistical Release H.15 (519) (or any comparable successor publication) for actively traded U.S. Treasury securities having a constant maturity equal to the Remaining Average Life of such Called Principal as of such Settlement Date. Such implied yield will be determined, if necessary, by (a) converting U.S. Treasury bill quotations to bond-equivalent yields in accordance with accepted financial practice and (b) interpolating linearly between (1) the actively traded U.S. Treasury security with the duration closest to and greater than the Remaining Average Life and (2) the actively traded U.S. Treasury security with the duration closest to and less than the Remaining Average Life. The Reinvestment Yield shall be converted from a bond equivalent yield to a monthly rate and shall be rounded to the number of decimal places as appears in the interest rate of the applicable Note.

"Remaining Average Life" means, with respect to any Called Principal, the number of years (calculated to the nearest one-twelfth year) obtained by dividing (i) such Called Principal into (ii) the sum of the products obtained by multiplying (a) the principal component of each Remaining Scheduled Payment with respect to such Called Principal by (b) the number of years (calculated to the nearest one-twelfth year) that will elapse between the Settlement Date with respect to such Called Principal and the scheduled due date of such Remaining Scheduled Payment.

"Remaining Scheduled Payments" means, with respect to the Called Principal of the Note, all payments of such Called Principal and interest thereon that would be due after the Settlement Date with respect to such Called Principal if no payment of such Called Principal were made prior to its scheduled due date, *provided* that if such Settlement Date is not a date on which interest payments are due to be made under the terms of the Note, then the amount of the next succeeding scheduled interest payment will be reduced by the amount of interest accrued to such Settlement Date and required to be paid on such Settlement Date pursuant to Section 2.12 of this Deed of Trust or Section 5.2 of this Deed of Trust.

"Settlement Date " means, with respect to the Called Principal of the Note, the date on which such Called Principal is to be prepaid pursuant to Section 2.12 of this Deed of Trust or has become or is declared to be immediately due and payable pursuant to Section 5.2 of this Deed of Trust, as the context requires.

"Maturity Date" is defined in the Note.

"Naming Rights Agreement" is defined in Recital B hereto.

"NDA Agreement" shall mean the Non-Disturbance and Attornment Agreement among the Beneficiary, the LVCVA and the Grantor.

"Non-Recourse Person" is defined in Section 6.10 of this Deed of Trust.

"Note " is defined in Recital A hereto.

"Note Purchase Agreement" is defined in Recital A hereto.

"Operative Agreements" shall mean, collectively, the Note Purchase Agreement, the Naming Rights Agreement, the Security Agreement, this Deed of Trust, the Collateral Assignment of Construction Agreements the NDA Agreement, the Escrow and Servicing Agreement, the Construction Escrow Agreement, the Pledge Agreement and the Note.

"Organizational Documents " of any entity shall mean (a) in the case of a corporation, the articles or certificate of incorporation (or the equivalent of such items under state law) and the by-laws of such corporation, (b) in the case of a limited liability company, the certificate or articles of existence or formation and the operating agreement of such limited liability company, (c) in the case of a limited partnership, the certificate of formation and limited partnership agreement of such limited partnership and the Organizational Documents of the general partner of such limited partnership, (d) in the case of a trust, the certificate of formation (if applicable) and the trust agreement for such trust, and (e) any equivalent documents, to the foregoing under the State law where such entity was organized or formed.

"Permitted Encumbrances" shall mean the liens described in Section 2.17 of this Deed of Trust.

"Person " shall mean an individual, partnership, limited liability company, corporation, trust or unincorporated organization.

"Personal Properly" shall mean the personal property described in Granting Clause Fourth of this Deed of Trust.

"Pledge Agreement " shall mean the Pledge and Security Agreement dated as of the date hereof from the Pledgor in favor of Beneficiary.

"Pledgor" shall mean Summerlin Baseball Club Member, LLC, a Delaware limited liability company, its successors and assigns.

"Rents" is defined in Section 2.18(a) of this Deed of Trust.

"replacement cost" as used herein shall mean the actual replacement cost of the Granted Property requiring replacement from time to time including an increased cost of construction endorsement, if available, and the cost of debris removal. In the event either the Grantor or the Beneficiary believes that full replacement cost (the then replacement cost less such exclusions) has increased or decreased at any time prior to the Maturity Date, such party shall have the right to have such full replacement cost re-determined.

"Restoration" is defined in Section 4.1 of this Deed of Trust.

"Restoration Funds" is defined in Section 4.1 of this Deed of Trust.

"Secondary Market Transaction" is defined in Section 6.12 of this Deed of Trust.

"Security" shall have the same meaning as in Section 2(1) of the Securities Act of 1933, as amended.

"Security Agreement " is defined in Recital B hereto.

"Settlement Date " means, with respect to the Called Principal of the Note, the date on which such Called Principal is to be prepaid pursuant to Section 2.12 of this Deed of Trust or has become or is declared to be immediately due and payable pursuant to Section 5.2 of this Deed of Trust, as the context requires.

"Sponsorship Fees" is defined in the Naming Rights Agreement.

"Subsidiary" shall mean any Person of which more than 50% (by number of votes) of the Voting Interest is owned and controlled by the Grantor and/or one or more Persons which are Subsidiaries of the Grantor.

"Successor Grantor" is defined in Section 2.3(g) of this Deed of Trust.

"Successor Indemnitor" is defined in Section 2.3(g) of this Deed of Trust.

"Successor Owner" is defined in Section 2.3(h) of this Deed of Trust.

"Tangible Net Worth" shall mean, for any Person, the net worth of such Person determined in accordance with Generally Accepted Accounting Principles in existence from time to time in the United States minus, without duplication, copyrights, patents, intellectual property, goodwill and all other intangible assets; provided that, in any event tangible assets shall be deemed to include, without limitation, cash, cash equivalents and equity interests in real estate or in entities that own real estate.

"Taxes" is defined in Section 2.16 of this Deed of Trust.

"Team" shall mean the Las Vegas 51's baseball team, a member of Minor League Baseball that operates under the Commissioner of Baseball of Major League Baseball, or another Minor League Baseball team affiliated with a Major League Baseball team.

"Team Lease" shall mean the Ball Park Lease dated as of the date hereof between the Grantor, as landlord, and Team Owner, as tenant, as amended, modified or supplemented.

"Team Owner" shall mean Summerlin Las Vegas Baseball Club, LLC, a Delaware limited liability company.

"Transfer Fee" shall mean an amount equal to 1.00% of the then outstanding principal amount of the Note.

"Trustee" shall mean First American Title Insurance Company, and any successor thereto appointed pursuant to Section 6.7 of this Deed of Trust, to the extent required by law to permit the exercise of any remedies pursuant to Section 5.2 of this Deed of Trust and for any other purpose hereunder shall mean the Beneficiary.

"Uniform Commercial Code" shall mean the Uniform Commercial Code as in effect in the State of Nevada, as amended.

"Voting Interest" shall mean Securities or equity ownership interest of any class or classes of a Person, the holders of which are ordinarily, in the absence of contingencies, entitled to elect a majority of the corporate directors (or Persons performing similar functions).

SECTION 2. GENERAL COVENANTS AND WARRANTIES.

From and after the Closing Date (as defined in the Note Purchase Agreement) and continuing so long as the Indebtedness Hereby Secured, remains unpaid, the Grantor covenants that:

Section 2.1 *Office for Notices.* The Grantor will keep an office at 13355 Noel Rd 22nd Floor, Dallas, Texas 75240 where notices, presentations and/or demands to or upon the Grantor in respect of said Note or this Deed of Trust may be given or made, until such time as the Grantor shall so notify the Beneficiary in writing of any change of location of such office.

Section 2.2 *Maintenance of Existence, Rights.* The Grantor will at all times preserve and keep in full force and effect its existence and will obtain and maintain in full force and effect all franchises, privileges, rights, licenses and permits and all other consents, approvals and authorizations of any governmental authority necessary for the ownership and efficient operation and maintenance of its business and property which failure to obtain and maintain would materially and adversely affect the properties, business, prospects, profits or condition of the Grantor.

Section 2.3 *Negative Covenants.* The Grantor will not:

(a) engage in any business other than the ownership, operation and development of the Granted Property, the leasing of the Granted Property and the financing thereof through the issuance of the Note, as expressly contemplated by the Operative Agreements to which the Grantor is a party;

(b) be or become liable in respect of any guaranty, except for any guaranties that are part of, or permitted by the Operative Agreements;

(c) incur any Indebtedness other than (i) Indebtedness Hereby Secured, (ii) Taxes not yet due and payable and items being contested pursuant to Section 2.16(b), (iii) trade payables incurred in the ordinary course of business not exceeding $2,000,000 paid within sixty (60) days of date incurred, and (iv) obligations under the Naming Rights Agreement;

(d) make, or permit to remain outstanding, any investment, loan or advance to, or own or acquire any stock or Securities of, any Person except that the Grantor may make any investment, loan or advance required to be made to satisfy its obligations under the Operative Agreements to which the Grantor is a party;

(e) pay or declare any dividend, or make any other distribution if, after giving effect thereto, a Default or Event of Default would exist;

(f) enter into any lease of any of the Granted Property, whether as lessor or as lessee, in violation of the Naming Rights Agreement;

(g) sell, transfer, exchange or otherwise dispose of the Granted Property or any part or portion thereof, except as expressly permitted by Section 5.2 of this Deed of Trust, *provided, however,* that in addition to sales and/or transfers permitted by this Deed of Trust (A) without changing the Existing Guarantor or the Existing Indemnitor, the entire Granted Property may be transferred to a single purpose entity wholly owned (directly or indirectly) by the Existing Guarantor (so long as the Grantor has provided prior written notice of the identity of such transferee and such transferee's reputation shall be reasonably acceptable to the Beneficiary (such transfer under this clause (A) of this Section 2.3(g), an "*Affiliate Conveyance"))* from time to time any number of times but not more frequently than once per twelve month period and (B) together with any Transfers permitted by Section 2.3(h)(B) below, an aggregate of two (2) times prior to the Maturity Date of the Note the Grantor shall have the right to sell or transfer the entire Granted Property to another entity (such transferee entity as described in clause (A) or (B) of this Section 2.3(g) is herein referred to as the *"Successor Grantor")',* (such sale or transfer under this clause (B) is herein referred to as a *"Non-Related Conveyance"); provided, further,* that in connection with any such transfer or sale described in clause (A) or (B) in this Section 2.3(g) above, the following conditions are met:

(i) the Successor Grantor shall be a single purpose entity (the Organizational Documents of which shall contain provisions acceptable to the Beneficiary and similar to those required by the Beneficiary to be added to the Grantor's Organizational Documents in connection with the issuance of the Note) and shall obtain all required governmental consents, approvals and authorizations;

(ii) after giving effect to such sale or transfer, the Successor Grantor shall be in compliance with this Deed of Trust and no Default or Event of Default shall have occurred which shall then be continuing and the Successor Company shall be required to certify in writing that the representation and warranty set forth in Paragraph 22 of Exhibit B to the Note Purchase Agreement is true and correct;

(iii) the Successor Grantor shall assume all rights, duties and obligations of the Grantor under the Operative Agreements arising after the date of such assumption;

(iv) the Successor Grantor shall have delivered to the Beneficiary an opinion of its counsel which is satisfactory in form to the Beneficiary covering the due authorization, execution, delivery and enforceability of documents entered into by the Successor Grantor to comply with the foregoing conditions of this paragraph (g) and covering such other related matters as the Beneficiary or special counsel to the beneficial holder of the Note may reasonably require;

(v) the Successor Grantor and the beneficial owner or owners of equity interests in the Successor Grantor (the *"Successor Indemnitors")* shall have entered into and delivered to the Beneficiary a Hazardous Material Indemnity Agreement and an Indemnity and Guaranty Agreement as applicable, in the same form as such documents delivered to the Beneficiary on the Closing Date and the reputation, creditworthiness and experience of the Successor Indemnitors in real estate management and development shall be acceptable to the Beneficiary in its sole discretion; *provided, however,* it shall not be unreasonable for the Beneficiary to reject a Successor Indemnitor that has a Tangible Net Worth less than the Tangible Net Worth of the Existing Indemnitor and Existing Guarantor, and (B) upon the execution and delivery of the Indemnity and Guaranty Agreement and the Hazardous Material Indemnity Agreement by the Successor Grantor and the Successor Indemnitors, as applicable, to the Beneficiary, the Grantor, the Existing Indemnitor and the Existing Guarantor shall be released from any future liability accruing from and after the effective date thereof;

(vi) all filings, recordings and title insurance date downs or endorsements which are deemed necessary by the Beneficiary or special counsel to the beneficial holder of the Note shall have been made in appropriate public offices;

(vii) the Grantor shall (A) pay to the Beneficiary a fee equal the Transfer Fee *(provided, however,* no such fee shall be due in connection with an Affiliate Conveyance) and (B) pay all of the reasonable legal fees and expenses of the special counsel representing the beneficial holder of the Note in connection with the sale of the Granted Property to the Successor Grantor;

(viii) the Grantor shall deliver to the Beneficiary a copy of a waiver executed by the LVCVA pursuant to which the LVCVA waives any right of first refusal, right of first offer or other purchase option (if any) vested in the LVCVA pursuant to the terms of the Naming Rights Agreement or otherwise and confirms the Naming Rights Agreement is and shall remain in full force and effect; and

(ix) the Successor Grantor shall deliver to the Beneficiary (1) a copy of the written notice sent by the Successor Grantor to the LVCVA advising LVCVA of the transfer of the Granted Property to the Successor Grantor, together with copies of the Successor Grantor's IRS Form W-9 and evidence of the conveyance of the Granted Property to the Successor Grantor, in each case, submitted to LVCVA in accordance with the terms of the Naming Rights Agreement and (2) a copy of the written letter sent by the Successor Grantor to the LVCVA advising the LVCVA to continue to pay rents due under the Naming Rights Agreement to the Beneficiary.

Notwithstanding anything to the contrary contained herein or in any other Operative Agreement, the Grantor shall not be permitted to sell the Granted Property to the LVCVA without the prior written consent of the Beneficiary.

If the Granted Property is sold in accordance with the terms of this Section 2.3(g), then upon satisfaction of the conditions set forth therein, the Grantor (but, if it is an Affiliate Conveyance, not the Existing Guarantor or the Existing Indemnitor) shall be released from all liability under this Deed of Trust and the other Operative Agreements, except for obligations accruing prior to the date of such sale.

(h) permit any direct or indirect holder or owner of an equity, ownership, membership, partnership, or voting interest in the Grantor (an *"Existing Owner")* to sell, transfer, exchange, assign, pledge or otherwise dispose of such interest in any transaction or series of transactions that would result in a different Person or entity holding or owning, directly or indirectly, a controlling interest in the Grantor than held or owned such controlling interest on the Closing Date (each a *"Transfer")* (nothing herein shall be deemed a limitation on the transfer, directly or indirectly, of non-controlling ownership interests in the Grantor so long as (y) the same Person or entity holding or owning a controlling interest in the Grantor on the Closing Date continues to hold or own such controlling interest after giving effect to such transfer and (z) after giving effect to such transfer there is no Default or Event of Default in existence and the representation and warranty set forth in Paragraph 22 of Exhibit B to the Note Purchase Agreement is true and correct); *provided, however,* that together with any sale or transfer of the Granted Property permitted under Section 2.3(g)(B) above, an aggregate of two times prior to the maturity date of the Note the holder or holders of a controlling interest in the Grantor shall have the right to sell such controlling interest to another Person or entity (the *"Successor Owner"); provided* that in connection with such sale, the following conditions are met:

(i) after giving effect to the sale, the Grantor shall be in compliance with this Deed of Trust and no Default or Event of Default shall have occurred which shall then be continuing;

(ii) the Successor Owner shall have assumed the obligations of the Existing Guarantors and Existing Indemnitors under, or entered into agreements in the same form as, the Indemnity and Guaranty Agreement and the Hazardous Material Indemnity Agreement delivered on the Closing Date;

(iii) the reputation, creditworthiness and experience of such Successor Owner in real estate management and development shall be acceptable to the Beneficiary in its sole discretion; *provided, however,* it shall not be unreasonable for the Beneficiary to reject a Successor Owner that has a Tangible Net Worth less than the Tangible Net Worth of the Existing Indemnitor and the Existing Guarantor; and

(iv) the Successor Owner shall (A) pay to the Beneficiary a fee equal the Transfer Fee *(provided, however,* no such fee shall be due if the Granted Property is sold to family members or trusts for estate planning purposes) and (B) pay all of the reasonable legal fees and expenses of the special counsel representing the beneficial holder of the Note in connection with the sale of such interest to the Successor Owner.

If a controlling interest in the Grantor is sold in accordance with the terms of Section 2.3(h), then upon satisfaction of the conditions set forth therein, the Existing Owner shall be released from all liability under this Deed of Trust and the other Operative Agreements, except for obligations accruing prior to the date of such sale.

(i) A Transfer within the meaning of Section 2.3(h) shall not include (i) transfers of ownership interests in the Grantor made by devise or descent or by operation of law upon the death of a member of the Grantor, subject however, to all the following requirements: (A) written notice of any transfer under this Section 2.3(i) whether by will, trust or other written instrument, operation of law or otherwise, is provided to Beneficiary, together with copies of such documents relating to the transfer as Beneficiary may reasonably request, (B) control over the management and operation of the Granted Property thereafter is assumed by persons who are acceptable in all respects to Beneficiary in its reasonable discretion, (C) no such transfer will release the respective estate from any liability as an Existing Indemnitor, and (D) no such transfer, death or other event has any adverse effect either on the bankruptcy-remote status of the Grantor or on the status of the Grantor as a continuing legal entity liable for the payment of the Indebtedness Hereby Secured and the performance of all other obligations secured hereby or (ii) transfers, exchanges, sales, pledges or other dispositions of shares of The Howard Hughes Corporation;

(j) institute proceedings to be adjudicated bankrupt or insolvent, or consent to the institution of bankruptcy or insolvency proceedings against it, or file a petition under state law relating to bankruptcy or insolvency, or consent to the appointment of a receiver, liquidator, assignee, trustee or sequestrator (or other similar official) of the Grantor, or a substantial part of its property, or make any assignment for the benefit of creditors, or, except as required by law, admit in writing its inability to pay its debts generally as they become due, or take any company action in furtherance of any such action;

(k) amend or modify the Organizational Documents of the Grantor;

(l) create, organize or establish any Subsidiary;

(m) conduct its business in any manner that would likely result in the substantive consolidation of the Grantor with its member or members in bankruptcy;

Section 2.4 *Mergers and Consolidations.* The Grantor will not consolidate with or be a party to a merger with any other Person. Notwithstanding the foregoing, no transfer pursuant to Section 2.3(g) or 2.3(h) shall be permitted at any time prior to the Ninety-first (91st) day following the Completion Disbursement Date.

Section 2.5 *Financial Information and Reports.* The Grantor will keep proper books of record and account in which full, true and correct entries will be made of all dealings or transactions of or in relation to the business and affairs of the Grantor in accordance with Generally Accepted Accounting Principles and will furnish to the Beneficiary:As soon as

available and in any event within one hundred twenty (120) days after the close of each fiscal year of the Grantor, copies of:

(i) a balance sheet of the Grantor as of the close of such fiscal year, and

(ii) a statement of operating income, retained earnings and cash flows of the Grantor for such fiscal year,

in each case setting forth in comparative form the figures for the preceding fiscal year, all in reasonable detail and accompanied by a certificate of an officer of the Grantor to the effect that such financial statements have been prepared in accordance with the accounting basis used for Generally Accepted Accounting Principles, are complete and correct and present fairly, in all material respects, the financial condition of the Grantor; *provided,* that if the financial statements required by this paragraph (a) shall be prepared by a firm of independent public accountants, then in lieu of a statement certified by an officer of the Grantor, copies of such statements shall be furnished to the Beneficiary at the times required by the preceding provisions of this paragraph (a);

(b) Within the periods provided in paragraph (a) above, the written statement of the Grantor, signed by an authorized officer of the Grantor, stating whether, to the best of his knowledge, there existed as of the date of such financial statements and on the date of the certificate any Default or Event of Default under this Deed of Trust, and specifying the nature and period of existence thereof and the action the Grantor is taking and proposes to take with respect thereto;

(c) Promptly after receipt thereof by the Grantor, all reports delivered to the Grantor from the LVCVA; and

(d) Such additional information as the Beneficiary may reasonably request concerning the Grantor and the Indemnitor (including without limitation financial statements of the Indemnitor.

The Grantor will permit the Beneficiary (or such Persons as the Beneficiary may designate) to visit and inspect the Granted Property under the Grantor's guidance, to examine all of its books of account, records, reports and other papers, to make copies and extracts therefrom and to discuss its affairs, finances and accounts with its officers, agents and representatives, all at such reasonable times and as often as any such holder may reasonably desire, in each case subject to the terms and conditions set forth in the Naming Rights Agreement, *provided,* that at any time when an Event of Default shall have occurred and be then continuing, such visit and inspection shall be at the expense of the Grantor.

Section 2.6 *Notice of Default.* The Grantor will, immediately upon an officer or member of the Grantor acquiring actual knowledge of a Default or Event or Default, furnish a written notice to the Beneficiary specifying the nature and period of existence of such condition or event and what action the Grantor is taking or proposes to take with respect thereto.

Section 2.7 *Lender's Title Insurance Policy.* The Grantor will, within sixty (60) days following the Closing Date, at its own cost and expense, procure and deliver to the Beneficiary or its counsel an ALTA Policy issued by a title insurance company acceptable to the Beneficiary which policy shall conform to the commitment or pro forma, as applicable, for title insurance issued to the Beneficiary in the form attached as an exhibit to the Escrow Instruction Letter delivered at Closing which policy shall be not less than the principal amount of the Note issued and delivered on the Closing Date covering the Granted Property showing marketable fee title to the Granted Property to be in the Grantor, subject only to Permitted Encumbrances, which policy shall also insure the Beneficiary against all loss or damage sustained by reason of this Deed of Trust not being a first and paramount lien at the date of such policy upon title to the Granted Property and which policy shall show recordation of this Deed of Trust and the NDA Agreement, shall be dated the Closing Date and shall otherwise be in form and substance satisfactory to the Beneficiary.

Section 2.8 *Payment of Certain Taxes.* The Grantor covenants and agrees to pay all taxes, assessments and governmental charges or levies imposed upon this Deed of Trust or the Note or any other Indebtedness Hereby Secured (other than income or franchise taxes of Beneficiary).

Section 2.9 *Ownership of Granted Property.* The Grantor covenants and warrants that it has good and marketable title to the Granted Property hereinbefore conveyed to the Beneficiary free and clear of all liens, charges and encumbrances whatever except Permitted Encumbrances, and the Grantor has full right, power and authority to grant, warrant, pledge, assign, sell, demise, bargain, hypothecate, convey, grant a security interest in, transfer and set over the same to the Beneficiary for the uses and purposes in this Deed of Trust set forth; and the Grantor will warrant and defend the title to the Granted Property against all claims and demands whatsoever. Without limiting the foregoing, the Grantor represents and warrants that the restrictions, exceptions, reservations, limitations, interests and other matters, if any, set forth immediately following the specific descriptions of the parcels of land in Exhibit A attached hereto, together with all other restrictions, exceptions, reservations, limitations, interests and other matters, if any, existing on the date of execution and delivery of this Deed of Trust, do not in the aggregate impair the value of the Granted Property or adversely affect the utility, structural integrity or beneficial enjoyment of the Granted Property for the uses to which the Granted Property is being put.

Section 2.10 *Further Assurances.* The Grantor will, at its own expense, do, execute, acknowledge and deliver all and every further act, deed, conveyance, transfer and assurance necessary or proper for the better assuring, conveying, assigning and confirming unto the Beneficiary all of the Granted Property, or property intended so to be, whether now owned or hereafter acquired.

Section 2.11 *Payment of Principal and Interest.* The Grantor will duly and punctually pay the principal of, and premium of, if any, and interest on the Note secured hereby according to the terms thereof.

Section 2.12 *Prepayment of Note.* No prepayment of the Note may be made except to the extent and in the manner expressly permitted by this Section 2.12.

(a) *Required Prepayment without Make-Whole Amount in the Event of Casualty or Condemnation.* In the event of a casualty or condemnation of all or a portion of the Granted Property which results in a termination of the Naming Rights Agreement, the Grantor shall prepay the Note in whole, but not in part, by payment of the principal amount of the Note then outstanding, together with accrued interest thereon to the date of such prepayment, which prepayment shall be made taking into account the proceeds paid under any insurance policies carried pursuant to this Deed of Trust, but without any Make-Whole Amount.

(b) *Optional Prepayment with Make-Whole Amount.* The Grantor shall have the privilege, at any time and from time to time, of prepaying the outstanding Note, in whole but not in part by payment of the principal amount of the Note, and accrued interest thereon to the date of such prepayment, together with a premium equal to the Make-Whole Amount, determined as of two (2) business days prior to the date of such prepayment pursuant to this Section 2.12(b).

(c) *Notice of Prepayments.* The Grantor will give notice of any intended prepayment of the Note pursuant to Section 2.12(b) to the Beneficiary not less than thirty (30) days nor more than sixty (60) days before the date fixed for such prepayment specifying (i) such date, (ii) the principal amount of the Note to be prepaid on such date, (iii) that a premium may be payable, (iv) the date as of which such premium will be calculated, (v) the estimated premium, and (vi) the accrued interest applicable to the prepayment. Such notice shall be accompanied by a certificate addressed to the Beneficiary from the president or a senior financial officer of the Grantor as to the estimated premium due with respect to the Note in connection with such prepayment (calculated as if the date of such notice were the date of the prepayment), setting forth the details of such computation. Notice of prepayment having been so given, the principal amount of the Note specified in such notice, together with accrued interest thereon and the premium, if any, payable with respect thereto shall become due and payable on the prepayment date specified in said notice subject to any conditions specified in such notice of prepayment relating to the closing of another transaction that is providing funding for such prepayment; *provided* that, if the Beneficiary is not provided written notice of any delay or cancellation of such prepayment until after the day that is two (2) Business Days prior to the specified date of such prepayment, the Company shall reimburse the Beneficiary for any actual out-of-pocket expenses incurred by the Beneficiary as a result of cancelling any contracts or arrangements entered into in anticipation of receiving such prepayment but such expenses shall not in any event include any lost opportunity or lost profit expense. Not later than two (2) business days prior to the prepayment date specified in such notice, the Grantor shall provide the Beneficiary written notice of the premium, if any, payable in connection with such prepayment and, whether or not any premium is payable, a reasonably detailed computation of the Make-Whole Amount (using such method of computation approved by the Beneficiary as provided above) due with respect to the Note in connection with such prepayment, which computation shall be certified to the Beneficiary by the president or a senior officer of the Grantor.

Section 2.13 *Method and Place of Payment of Principal and Interest.* Anything in the Note or this Deed of Trust to the contrary notwithstanding, the Grantor will promptly and

punctually pay, or cause the Escrow Agent to pay, the principal of the Note and premium, if any, and interest thereon, without any presentment thereof, at the address set forth for payment on Schedule I attached to the Escrow and Servicing Agreement (or to any nominee designated by the Beneficiary) as payee, at its address specified in writing to, and received by, the Grantor at least ten (10) days prior to the date fixed for such payment) and if a bank account is designated for the Beneficiary in said Schedule I, payments will be made in immediately available funds to such bank account, or payments will be made in such other manner or such other place within the continental limits of the United States as the Beneficiary may reasonably direct in writing. If the Beneficiary shall sell or transfer the Note, the Beneficiary will notify the Grantor of such action and of the name and address of the transferee of the Note and the Beneficiary will, prior to the delivery of the Note, make a notation on the Note of the date to which interest has been paid on the Note and, if not previously made, a notation on the Note of the extent to which any payment has been made on account of the principal of the Note.

Section 2.14 *Maintenance of Granted Property, Other Liens, Compliance with Laws, Etc.*

(a) The Grantor shall (i) subject to Sections 3 and 4 hereof, promptly repair, restore or rebuild or cause any such repair, restoration or rebuilding of, any buildings or improvements now or hereafter located on the Granted Property which may become damaged or be destroyed, (ii) keep, or cause to be kept, the Granted Property in good condition and repair, ordinary wear and tear excepted, without waste, and free from all claims, liens, charges and encumbrances other than Permitted Encumbrances, (iii) pay, or cause to be paid, when due any indebtedness which may be secured by a lien or charge on the Granted Property which does not constitute a Permitted Encumbrance, and upon request exhibit satisfactory evidence of the discharge of such lien to the Beneficiary, (iv) comply with, or cause to be complied with, all requirements of law or municipal ordinances with respect to the Granted Property and the use thereof (including, without limitation, any law or municipal ordinance with respect to environmental protection, hazardous wastes or zoning), (v) promptly procure, maintain and comply with, or cause to be promptly procured, maintained and complied with, all permits, licenses and other authorizations required for the use of the Granted Property or any erection, installation, operation and maintenance of the Granted Property or any part thereof, and (vi) make no material alterations in said Granted Property except as required by law or municipal ordinance or as permitted under the Naming Rights Agreement; *provided, however,* that so long as the Granted Property is subject to the Naming Rights Agreement, (A) the requirements with respect to the maintenance, repair, restoration and rebuilding of the Granted Property contained in this Section 2.14 shall be satisfied by the maintenance, repair, restoration and rebuilding of the Granted Property in accordance with and to the extent provided in the Naming Rights Agreement and (B) the exercise by LVCVA of any right granted to it under the Naming Rights Agreement shall not give rise to a default under this Deed of Trust if such right is exercised in compliance with the Naming Rights Agreement so long as neither the lien nor the priority of this Deed of Trust is impaired by the exercise of such rights.

Notwithstanding Section 2.14(a)(ii) above, the Grantor has disclosed to the Beneficiary that the Grantor anticipates submitting an application to the County of Clark (the "County") to request the formation of a special improvement district (a "SID") that will burden the Granted Property as well as other surrounding properties owned by Grantor and/or its affiliates. The

Beneficiary will not unreasonably withhold its approval of the inclusion of the Granted Property in the SID. Upon such approval, at no cost to the Beneficiary, the Beneficiary shall execute any documents reasonably requested by Grantor or the County to evidence such approval and comply with government requirements in the formation of a SID.

(b) The Grantor may, or may permit the LVCVA to, (i) construct upon the Granted Property additional buildings, structures and other improvements and (ii) install, assemble and place upon the Granted Property any trade fixtures, signs, furniture, furnishings, equipment, machinery and other tangible personal property used or useful in the business of the Grantor or the LVCVA or any subtenant, as the case may be, whether or not classified as fixtures under applicable law. All such buildings, structures and other improvements shall be and remain part of the realty and shall be subject to this Deed of Trust. Such trade fixtures, signs, furniture, furnishings, equipment, machinery and other tangible personal property shall be and remain the property of the Grantor or the LVCVA as the case may be, shall not be deemed part of the Granted Property for purposes of condemnation or casualty, and the Grantor or the LVCVA, as the case may be, may remove the same from the Granted Property at any time prior to the expiration or earlier termination of this Deed of Trust, *provided* that the Grantor, at its expense, shall repair or shall cause the LVCVA to repair any damage to the Granted Property resulting from such removal.

(c) Any repair, restoration, rebuilding, substitution, replacement, modification, alteration of or addition to the Granted Property pursuant to this Section 2.14 must not impair the market value or usefulness of the Granted Property for use in the ordinary course of business; shall be expeditiously performed in a good and workmanlike manner and be completed in compliance with all laws, ordinances, orders, rules, regulations and requirements applicable thereto, including to the extent necessary to maintain in full force and effect the policies of insurance required by Section 2.15 hereof. All costs and expenses of each such repair, restoration, rebuilding, substitution, replacement, the discharge of all liens filed against the Granted Property arising out of the same, together with all costs and expenses necessary to obtain any permits or licenses required in connection therewith shall be promptly paid by the Grantor or the LVCVA.

(d) The Grantor will only use and operate the Granted Property, or permit the same to be used and operated, for any lawful purpose. The Grantor will not initiate, join in, acquiesce in, or consent to any change in any legal requirements, limiting or defining the use that may be made of the Granted Property without the express written consent of the Beneficiary (which consent shall not be unreasonably withheld). If, under applicable zoning provisions, the use of all or a portion of the Granted Property is or will become a nonconforming use, the Grantor will not cause or permit such nonconforming use to be discontinued or abandoned without the Beneficiary's express written consent. The Grantor will not, without the prior written consent of the Beneficiary, permit any drilling or exploration for or extraction, removal, or production of any minerals from the surface or the subsurface of the Granted Property, regardless of the depth thereof or the method of mining or extraction thereof.

(e) Prior to entering into any management agreement or other agreement with respect to the management of the Granted Property (a *"Management Agreement* "), the Grantor shall execute and deliver to Beneficiary, or cause to be executed and delivered to Beneficiary, a Subordination of Management Agreement, in form and substance reasonably satisfactory to Beneficiary, pursuant to which the party who shall act as manager of the Granted Property under such Management Agreement shall, among other things, subordinate its right to payment for services rendered in managing the Granted Property to the payment of the debt service to Beneficiary with respect to the Note.

Section 2.15 *Insurance,* (a) The Grantor will continuously maintain, or will cause to be continuously maintained, the following-described insurance coverage, all of which must be satisfactory to the Beneficiary as to form of policy, amounts, deductibles, sublimits, types of coverages, exclusions and companies underwriting these coverages:

(i) Insurance with respect to the Improvements and Personal Property insuring against any peril now or hereafter included within the classification "Cause of Loss - Special Form" (sometimes referred to as "All Risk of Physical Loss"), including without limitation coverage for mold (provided that the sublimit for insurance coverage for mold shall be consistent with industry standards but shall be not less than $1,000,000) and without exclusion for terrorism and together with an "Ordinance and Law" endorsement, in amounts at all times sufficient to prevent Beneficiary from becoming a co-insurer within the terms of the policies and under applicable law, but in any event such insurance shall be maintained in an amount which, after application of deductible, shall be equal to the full insurable value of the Improvements and Personal Property, the term "full insurable value" to mean the actual replacement cost of the Improvements and Personal Property (without taking into account any depreciation, and exclusive of excavations, footings and foundations, landscaping and paving) evaluated annually by an insurer, a recognized independent insurance broker or an independent appraiser selected and paid by the Grantor and in no event less than the coverage required pursuant to the terms of any Naming Rights Agreement;

(ii) Commercial general liability insurance on an *"occurrence basis"* or a *"claims made basis"* against claims for *"personal injury"* including without limitation bodily injury, death or property damage occurring on, in or about the Granted Property and the adjoining streets, sidewalks and passageways, *provided* that such insurance shall afford immediate minimum protection to a combined single limit of at least $2,000,000 per person and accident and at least $5,000,000 for property damage liability; and

(iii) During such time as any construction or reconstruction on the Granted Property or major repair of the Granted Property is being undertaken, builder's completed value risk insurance against "all risks of physical loss", including, without limitation, collapse coverage, with annual deductibles not to exceed $25,000 (may be higher with respect to the deductible for flood, windstorm, earthquake and for terrorism, such deductible as is the commercially available at commercially available rates) in non-reporting form, covering the

total value of any work performed on equipment, supplies and materials incorporated or to be incorporated into the Granted Property and said policy of insurance shall contain the "permission to occupy upon completion of work or occupancy" endorsement.

(b) Any insurance coverage maintained in accordance with Section 2.15(a) shall at all times be written by insurance companies of recognized national standing and with a claims paying ability of A- or better by according to S&P (or an equivalent rating by an NAIC-approved rating organization) and authorized to do business in the State of Nevada and: (A) shall name the Grantor and the Beneficiary as insureds, additional insureds or loss payee (as applicable), as their interests may appear, (B) in the case of policies covering loss or damage to the Granted Property, shall provide that such losses, if any, shall be payable solely to the Beneficiary or, at the direction of the Beneficiary, the depository under a standard beneficiary loss payable clause satisfactory to the Beneficiary, (C) shall provide that the Beneficiary's interest shall be insured regardless of any breach or violation by the Grantor of any warranties, declarations or conditions contained in such policies, (D) such insurance, as to the interest of the Beneficiary therein, shall not be invalidated by the use or operation of the Granted Property for purposes which are not permitted by such policies, nor by any foreclosure or other proceedings relating to the Granted Property, nor by change in title to or ownership of the Granted Property, (E) the insurers shall waive any right of subrogation of the insurers to any set-off or counterclaim or any other deduction, whether by attachment or otherwise, in respect of any liability of the Grantor, (F) if any premium or installment is not paid when due, or if such insurance would lapse or be canceled, terminated or materially changed for any reason whatsoever, the insurers will promptly notify the Beneficiary and any such lapse, cancellation, termination or change shall not be effective as to the Beneficiary for thirty (30) days after receipt of such notice, (G) appropriate certification shall be made to the Beneficiary by each insurer with respect thereto, and (H) shall provide for deductibles in amounts not in excess of amounts as is customary for companies similarly situated and owning properties in the State of Nevada similar to the Granted Property. Provided no Default or Event of Default has occurred or is continuing, the loss, if any, under any policy pertaining to loss by reason of damage to or destruction of any portion of the Granted Property shall be adjusted with the insurance companies by the Grantor, subject to the reasonable approval of the Beneficiary if the loss exceeds $200,000. The loss so adjusted shall be paid to the Beneficiary pursuant to said loss payable clause unless said loss is $200,000 or less in which case said loss shall be paid directly to the Grantor, *provided* no Default or Event of Default has occurred and is continuing, in which event any such loss shall be paid to the Beneficiary.

(c) The Grantor shall furnish the Beneficiary with certificates or other satisfactory evidence of maintenance of the insurance required hereunder and with respect to any renewal policy or policies shall furnish certificates evidencing such renewal prior to the expiration date of the original policy or renewal policies. All such policies shall provide that the same shall not be canceled without at least thirty (30) days' prior written notice to each insured named therein.

Section 2.16 *Payment of Taxes and Other Charges.* The Grantor will pay and discharge, before the same shall become delinquent, together with interest and penalties thereon, if any, (i) all taxes, assessments (including assessments for benefits from public works or improvements whenever begun or completed), levies, fees, water, sewer, electrical and other utility service rents and charges, and all other governmental charges, general and special, ordinary and extraordinary, and whether or not within the contemplation of the parties hereto, which are at any time levied upon or assessed against it or the Granted Property or any part thereof or upon this Deed of Trust or the Note secured hereby, or upon the revenues, rents, issues, income and profits in respect of the Granted Property, or arising in respect of the occupancy, use or possession thereof, which failure to pay would result in the creation of a lien upon the Granted Property or any part thereof, or upon the revenues, rents, issues, income and profits of the Granted Property or in the diminution thereof or would result in any material interference with the use or operation of the Granted Property by the Grantor, (ii) all franchise, excise and other taxes, fees and charges assessed, levied or imposed in respect of its existence or its right to do business in any state, (iii) all income, excess profits, excise, sales, franchise, gross receipts and other taxes, duties or imposts, whether of a like or different nature, assessed, levied or imposed by any governmental authority on it or the Granted Property, or any portion thereof, or upon the revenues, rents, issues, income and profits of the Granted Property if the failure to pay any such tax, duty or impost might result in the creation of a lien upon any asset of the Grantor or the Granted Property or any part thereof or upon the Sponsorship Fees, the revenues, rents, issues, income and profits of the Granted Property or in the diminution thereof, and whether or not any such tax, duty or impost is payable directly by the Grantor or is subject to withholding at the source and (iv) all lawful claims and demands of mechanics, laborers, materialmen and others which, if unpaid, might result in the creation of a lien on the Granted Property or upon the revenues, rents, issues, income and profits of the Granted Property and, in general, will do or cause to be done everything necessary so that the lien hereof shall be fully preserved, at the cost of the Grantor, without expense to the Beneficiary (items (i) through (iv), inclusive, are collectively, the "*Taxes").*

(b) After prior written notice to the Beneficiary, the Grantor, at its own expense, may contest by appropriate legal proceeding, promptly initiated and conducted in good faith and with due diligence, the amount or validity or application in whole or in part of any of the Taxes, *provided* that (i) no Event of Default has occurred and is continuing under any of the Operative Agreements, (ii) such proceeding shall suspend the collection of the Taxes from the Grantor and from the Granted Property or the Grantor shall have paid all of the Taxes under protest, (iii) such proceeding shall be permitted under and be conducted in accordance with the provisions of any other instrument to which the Grantor is subject and shall not constitute a default thereunder, (iv) neither the Granted Property nor any part thereof or interest therein will be in danger of being sold, forfeited, terminated, cancelled or lost and (v) the Grantor shall have maintained adequate reserves for the payment of the Taxes, together with all interest and penalties thereon, unless the Grantor has paid all of the Taxes under protest, or the Grantor shall have furnished the security as may be required in the proceeding, or as may be reasonably requested by the Beneficiary to insure the payment of any contested Taxes, together with all interest and penalties thereon.

Section 2.17 *Limitation on Liens.* The Grantor will not create or incur or suffer to be incurred or to exist, any deed of trust, pledge, security interest, encumbrance, lien or charge of any kind upon the Granted Property or any right, title or interest of the Grantor in and to the Naming Rights Agreement, whether now owned or hereafter acquired, or upon any income or proceeds therefrom, and any such deed of trust, pledge, security interest, encumbrance, lien or charge shall be void ab initio, except the following:liens for property taxes and assessments or governmental charges or levies and liens securing claims or demands of mechanics and materialmen, *provided* that payment thereof is not overdue or, if overdue, is being contested in good faith by appropriate actions or proceedings;

(b) liens of or resulting from any judgment or award, the time for the appeal or petition for rehearing of which shall not have expired, or in respect of which the Grantor shall at any time in good faith be prosecuting an appeal or proceeding for a review and in respect of which a stay of execution pending such appeal or proceeding for review shall have been secured;

(c) liens, charges, encumbrances and priority claims incidental to the conduct of business or the ownership of properties and assets (including warehousemen's and attorneys' liens and statutory landlords' liens) and deposits, pledges or liens to secure payment of premiums on insurance purchased in the usual course of business or in connection with self-insurance or in connection with workmen's compensation, unemployment insurance or social security legislation, or to secure the performance of bids, tenders or trade contracts, or to secure statutory obligations, surety or appeal bonds or other liens of like general nature incurred in the ordinary course of business and not in connection with the borrowing of money, *provided* in each case, the obligation secured is not overdue or, if overdue, is being contested in good faith by appropriate actions or proceedings;

(d) minor survey exceptions or minor encumbrances, easements or reservations of, or rights of others for rights-of-way, utilities and other similar purposes, or zoning or other restrictions as to the use of real properties, which encumbrances, easements, reservations, rights and restrictions do not in the aggregate materially detract from the value of said properties or materially impair their use in the operation of the business of the Grantor;

(e) the lien of this Deed of Trust;

(f) the lien of the Naming Rights Agreement, subject to the NDA Agreement;

(g) the lien of any permitted lease to any Person, as lessee; *provided* that the lien thereof shall be subject to the terms of the Naming Rights Agreement and the NDA Agreement;

(h) easements, rights of way, reservations, restrictive agreements, servitudes and rights of others against the Granted Property and any other matters which are listed on Schedule B to the ALTA Title Insurance Policy delivered to the Beneficiary following the issuance and delivery of the Note;

(i) utility easements, rights of way or reservations granted or to be granted to service providers in connection with the development of the Granted Property, which such utility easements, rights of way or reservations do not in the aggregate detract from or impair the value of or use of the Granted Property and have been approved in writing by the LVCVA; and

(j) Parking agreements and amendments thereto in form reasonably acceptable to Beneficiary for the benefit of the Granted Property.

Section 2.18 *Assignment; Obligations and Terms Respecting the Naming Rights Agreement, all Leases and Lease Guaranties.*

(a) *Assignment.* In addition to, and not in contravention of, Granting Clause Second of this Deed of Trust, the Grantor, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and to further secure the payment and performance by the Grantor of all Indebtedness Hereby Secured hereby absolutely and unconditionally assigns, transfers and grants to the Beneficiary the following property, rights, interests and estates, now owned, or hereafter acquired, by the Grantor:

(i) *Sponsorship Fees and Naming Rights Agreement.* The Sponsorship Fees and the right, title and interest of the Grantor, its successors and assigns, therein and thereunder and, after the occurrence and during the continuance of an Event of Default, the Naming Rights Agreement and the right, title and interest of the Grantor, its successors and assigns, therein and thereunder.

(ii) *Leases and Agreements.* All leases, subleases and other agreements, whether or not in writing, affecting the use, enjoyment or occupancy of the Granted Property or any portion thereof now or hereafter made including, without limitation, the Grantor's rights to received all rents and other payments under the Team Lease, together with any extension, renewal or replacement of the same (collectively, the *"Leases"),* this assignment of the Leases being effective without further or supplemental assignment.

(iii) *Rents.* All Sponsorship Fees, rents, additional rents, percentage rents, revenues, income, proceeds, payments, reimbursable amounts, issues and profits arising from the Naming Rights Agreement, the Leases and the Lease Guaranties and any cash or security deposited in connection therewith (including, without limitation, all commissions and all oil and gas and other mineral royalties and bonuses) payable by the LVCVA under the Naming Rights Agreement or any tenant under the Leases or any Lease Guarantor under any Lease Guaranty or otherwise, for or in connection with the use, enjoyment and occupancy of the Granted Property (collectively, the *"Rents").*

(iv) *Bankruptcy Claims.* All of the Grantor's claims and rights (the *"Bankruptcy Claims")* to the payment of damages arising from any rejection by the LVCVA of the Naming Rights Agreement or any tenant under the Leases

under the Bankruptcy Code, 11 U.S.C. §101 *et seq.,* as the same may be amended (the *"Bankruptcy Code* ") or under any comparable federal or state statute or law.

(v) *Lease Guaranties.* All of the Grantor's right, title and interest in and to any and all lease guaranties, letters of credit and any other credit support given in connection with the Naming Rights Agreement and the Leases to the Grantor or predecessors (individually, a *"Lease Guaranty",* and, collectively, the *"Lease Guaranties* ") by any guarantor (individually, a *"Lease Guarantor, "* and, collectively, the *"Lease Guarantors").*

(vi) *Proceeds.* All proceeds from the sale or other disposition of the Naming Rights Agreement, the Leases, the Rents, the Lease Guaranties and the Bankruptcy Claims.

(vii) *Other.* All rights, powers, privileges, options and other benefits of the Grantor under the Naming Rights Agreement and the Leases and beneficiary under the Lease Guaranties, including without limitation, (A) the immediate and continuing right to make claims for, receive, collect and receipt for, all Rents payable or receivable under the Naming Rights Agreement and the Leases and all sums payable under the Lease Guaranties or pursuant thereto (and to apply the same to the payment of the Indebtedness Hereby Secured) and to do all other things which the Grantor or any lessor is or may become entitled to do under the Naming Rights Agreement, the Leases or the Lease Guaranties; (B) the right to pursue and collect any claim in bankruptcy or receivership proceedings of the LVCVA, any tenant under the Leases or any Lease Guarantor; (C) the right to accept or reject any offer made by the LVCVA, any tenant under the Leases or any Lease Guarantor to purchase the Granted Property or any part thereof and any other property subject to the Naming Rights Agreement, the Leases or any Lease Guaranty and to perform all other necessary or appropriate acts with respect to such purchases; (D) the right to make all waivers and agreements, to give and receive all notices, consents and releases, and to take such action upon the happening of a default beyond applicable cure periods, if any, under the Naming Rights Agreement, the Leases or any Lease Guaranty as the Grantor shall have the right under the Naming Rights Agreement, the Leases or any Lease Guaranty or at law to take, including the right to commence, conduct and consummate eviction proceedings; (E) the right, at Beneficiary's option to enter upon the Granted Property or any portion thereof in person, by agent or by court-appointed receiver; and (F) the Grantor's irrevocable power of attorney, coupled with an interest, to take any and all of the actions set forth in this Deed of Trust and any or all other actions designated by Beneficiary for the proper management and preservation of the Granted Property.

This assignment is a perfected present, absolute, direct and unconditional assignment and transfer of all the Grantor's right, title and interest in and to, but not the obligations under, the Leases, the Lease Guaranties, the Rents and the Sponsorship Fees and, after the occurrence and during the continuance of an Event of Default, the Naming Rights Agreement made in consideration of the

loan by Beneficiary to the Grantor and as additional security for the repayment of the Indebtedness Hereby Secured.

(b) Obligations and Terms Respecting the Naming Rights Agreement, the Leases and the Lease Guaranties.

(i) At all times the Granted Property shall be subject to the Naming Rights Agreement with the LVCVA, *provided* that, to the extent permitted thereby and by the NDA Agreement, the Naming Rights Agreement may be assigned by the LVCVA upon the terms and conditions set forth in the Naming Rights Agreement and in the NDA Agreement. The Grantor will punctually perform all obligations, covenants and agreements by it to be performed under the Naming Rights Agreement, the Leases and the Lease Guaranties strictly in accordance with the terms thereof, and will at all times do all things necessary to compel performance by the LVCVA, any tenant under the Leases and the Lease Guarantors of all covenants and agreements by them to be performed under the Naming Rights Agreement, the Leases or the Lease Guaranties, as applicable. The Grantor will take no action and permit no action to be taken by other Persons which will release the LVCVA, any tenant under the Leases or any Lease Guarantor from their obligations and liabilities under the Naming Rights Agreement, the Leases or the Lease Guaranties, as applicable, or result in the termination, amendment or modification of, or impair the validity of, the Naming Rights Agreement, the Leases or the Lease Guaranties, as applicable. The Grantor will give to the Beneficiary notice of all defaults by the LVCVA, any tenant under the Leases or any Lease Guarantor, as applicable, under the Naming Rights Agreement, the Leases or the Lease Guaranties, promptly after they have become known to the Grantor. Neither this Deed of Trust nor any action or inaction on the part of the Beneficiary shall constitute an assumption on the part of the Beneficiary of any obligation to the LVCVA, any tenant under the Leases or any Lease Guarantor or any other Person under the Naming Rights Agreement, the Leases or the Lease Guaranties. No action or inaction on the part of the Grantor shall adversely affect or limit in any way the rights of the Beneficiary under this Deed of Trust, or, through this Deed of Trust, under the Naming Rights Agreement, the Leases or the Lease Guaranties.

(ii) The Grantor will not, except with the prior written consent of the Beneficiary, take or suffer to be taken any action or consent to or permit any prepayment or discount of Rents or payment of Rents more than one month in advance, under the Naming Rights Agreement, the Leases or the Lease Guaranties.

(iii) The Grantor will not, without the prior written consent of the Beneficiary:

(A) declare a default or exercise the remedies of the "Company" or beneficiary under, or terminate, modify or accept a surrender of, or exercise any recapture rights with respect to, or offer or

permit any termination, modification or surrender of, the Naming Rights Agreement, the Leases or the Lease Guaranties, or any reciprocal easement or restrictive covenant agreement or similar agreement running with the land or create or consent to the creation or existence of any mortgage or other lien to secure the payment of indebtedness upon the Grantor's interest under the Naming Rights Agreement, the Leases or the Lease Guaranties or any part thereof, subject, however, to LVCVA's rights to assign its interest in the Naming Rights Agreement in accordance with the terms thereof; or

(B) other than to the Beneficiary, assign, transfer or hypothecate any Rents or other payment due or to become due under the Naming Rights Agreement, the Leases or the Lease Guaranties or anticipate any Rents or other payment thereunder.

(iv) The Grantor acknowledges that the Beneficiary has directed the LVCVA in a letter of direction to deliver or remit directly to the Escrow Agent, all Sponsorship Fees and Rents (including, without limitation, all payments of any amounts), income, revenues, issues, profits, insurance proceeds, condemnation awards, liquidated damages, purchase price proceeds and other payments, tenders and security now or hereafter due and payable to or receivable by the Grantor under the Naming Rights Agreement, such amounts to be paid directly to the Escrow Agent in the manner provided therein or in such other manner as the Beneficiary may from time to time designate. All amounts received by the Escrow Agent shall be applied in the manner provided herein and in the Escrow and Servicing Agreement. The Grantor hereby agrees to send to the Beneficiary, in accordance with Section 6.3 hereof, copies of all notices and all other instruments or written communications (including without limitation communications via electronic mail) required or permitted to be given by the Grantor under the Naming Rights Agreement, the Leases and the Lease Guaranties pursuant thereto, other than the notices, instruments or other communications for the routine or day to day administration of the Granted Property or the Naming Rights Agreement, the Leases or the Lease Guaranties.

(v) Notwithstanding anything to the contrary set forth in the NDA Agreement or any other document, the Grantor agrees that it will not enter into any agreement assigning, subordinating, amending, supplementing, hypothecating, waiving, discharging or terminating the Naming Rights Agreement, the Leases or any Lease Guaranty or this Deed of Trust without the Beneficiary's prior written consent thereto, and that any attempted assignment, subordination, amendment, supplement, hypothecation, waiver, discharge or termination without such consent shall be void. The Grantor will not terminate the Naming Rights Agreement, the Leases or any Lease Guaranty or take possession of the Granted Property in the event of default without the express prior written consent of the Beneficiary. In the event that the Naming Rights Agreement, the Leases or any Lease Guaranty shall be amended or supplemented as herein permitted, the Naming Rights Agreement, the Leases and the Lease

Guaranties as so amended or supplemented shall continue to be subject to the provisions of this Deed of Trust without the necessity of any further act by any of the parties hereto. Beneficiary shall sign commercially reasonable subordination and non-disturbance and attornment agreements in connection with the entering into any Leases by the Company.

(vi) The Lease Assignment set forth in this Section 2.18 and Granting Clause Second of this Deed of Trust shall run with the land and be good and valid against the Grantor or those claiming by, under or through the Grantor, from the date hereof and such assignment shall continue to be operative during the foreclosure or any other proceeding taken to enforce this Deed of Trust. In the event of a sale or foreclosure which shall result in a deficiency, such assignment shall stand as security during the redemption period for the payment of such deficiency. The Beneficiary shall be permitted, at its sole option, to exercise remedies under such assignment separately from remedies exercised against other portions of the Granted Property.

(c) *Excepted Rights.* Notwithstanding anything to the contrary contained in this Section 2.18, Section 2.18 is in all respects subject to the Excepted Rights of Grantor.

Section 2.19 *Advances.* If the Grantor shall fail to comply with the covenants contained herein or in the Note Purchase Agreement or in any other Operative Agreement and incorporated herein by reference, the Beneficiary, after five (5) days' prior written notice to the Grantor, and without waiving or releasing any obligation or Default, may (but shall be under no obligation to) at any time thereafter make such payment or perform such act for the account and at the expense of the Grantor, and may enter upon the Granted Property or any part thereof for such purpose and take all such action thereon as, in the opinion of the Beneficiary, may be necessary or appropriate therefor. All sums so paid by the Beneficiary and all costs and expenses (including without limitation, reasonable attorneys' fees and expenses) so incurred, together with interest thereon at the Default Rate from the date of payment or incurrence, shall be secured hereby in priority to the indebtedness evidenced by the Note and shall be paid by the Grantor to the Beneficiary on demand. The Beneficiary in making any payment authorized under this Section relating to taxes or assessments may do so according to any bill, statement or estimate procured from the appropriate public office without inquiry into the accuracy of such bill, statement or estimate or into the validity of any tax assessment, sale, forfeiture, tax lien or title or claim thereof.

Section 2.20 *Recordation.* The Grantor will, at its own expense, cause this Deed of Trust, the NDA Agreement, all supplements hereto and thereto, and any financing statements and continuation statements required by law, including the Uniform Commercial Code, in respect hereof and thereof at all times to be kept recorded and filed at its own expense in such manner and in such places as may be required by law in order to fully preserve and protect the rights of the Trustee and the Beneficiary hereunder and thereunder, and will furnish to the Beneficiary promptly after the execution and delivery of this Deed of Trust, the Naming Rights Agreement, the NDA Agreement and each supplement hereto and thereto an opinion of counsel stating that, in the opinion of such counsel, this Deed of Trust, the Naming Rights Agreement (or a memorandum thereof), the NDA Agreement or such supplement, as the case may be, has been properly recorded or filed for record so as to make effective of record the lien intended to be

created hereby and/or thereby. The Grantor hereby specifically consents to any financing statements and/or financing statements and continuation statements or other filings related to this Deed of Trust being made electronically, to the extent permitted by law. Additionally, the Grantor hereby specifically consents to any other financing statements and/or financing statements and continuation statements or other filings related to this Security Agreement and/or this Deed of Trust being made electronically, to the extent permitted by law, or otherwise. The Grantor hereby authorizes the Beneficiary and/or the Trustee and its agents or counsel to file, in the name of the Grantor or otherwise, financing statements and continuation statements with regard to any filed financing statements. The Grantor hereby irrevocably appoints the Beneficiary and/or the Trustee, or any agent designated by the Beneficiary and/or the Trustee, its true and lawful attorney-in-fact, which power is coupled with an interest and with full power of substitution, to execute, acknowledge, file and deliver financing statements in the name of the Grantor. Furthermore, the Grantor hereby authorizes Mayer Brown LLP, Beneficiary and/or the Trustee and its agents or counsel to file financing statements that indicate the collateral (i) as all assets of the Grantor or words of similar effect or (ii) as being of an equal, greater or lesser scope, or with greater or lesser detail, than as set forth in this Security Agreement and/or this Deed of Trust, on behalf of the Grantor. The Grantor also hereby ratifies its authorization for Mayer Brown LLP, the Beneficiary and/or the Trustee and its agents or counsel to have filed in any jurisdiction any Uniform Commercial Code financing statements or amendments thereto if filed prior to the Closing Date. The Grantor shall not terminate, amend or file a correction statement with respect to any financing statement or fixture filing filed pursuant to this Security Agreement and/or this Deed of Trust without the Beneficiary's and/or the Trustee's prior written consent. Notwithstanding anything to the contrary in this Deed of Trust, nothing herein shall obligate the Trustee or the Beneficiary to file or see to the maintenance of any financing statement or security instrument.

Section 2.21 *After-Acquired Property.* Any and all property hereafter acquired which is of the kind or nature described in the Granting Clauses hereof and is or intended to become a part thereof, shall ipso facto, and without any further conveyance, assignment or act on the part of the Grantor or the Beneficiary become and be, subject to the lien of this Deed of Trust as fully and completely as though specifically described herein; but nevertheless the Grantor shall from time to time, if requested by the Beneficiary, execute and deliver any and all such further assurances, conveyances and assignments thereof as the Beneficiary may reasonably require for the purpose of expressly and specifically subjecting to the lien of this Deed of Trust any and all such property.

Section 2.22 *Environmental Indemnity.* The Grantor agrees to defend, indemnify and hold the Trustee and the Beneficiary harmless from and against any and all costs, penalties, damages, expenses, and/or liabilities (including reasonable attorneys' fees) which Beneficiary may suffer as a result of a claim, suit, or action regarding (i) any actual or alleged violation of an Environmental Legal Requirement in connection with the Granted property; (ii) the existence (or claimed existence) on, under or from the Granted Property of any Hazardous Material (whether caused by the Grantor, any Indemnitor or the LVCVA under the Naming Rights Agreement or any other party, except the Beneficiary), and/or (iii) regarding the investigation, removal, remediation and clean-up of such Hazardous Material.

Section 2.23 *Separate Identity.* The Grantor will maintain books, records, financial statements and bank accounts separate from those of its affiliates and any constituent party and the Grantor will file its own tax returns to the extent required by law. The Grantor shall maintain its books, records, resolutions and agreements as official records. The Grantor will be, and at all times will hold itself out to the public as, a legal entity separate and distinct from any other entity (including any affiliate of the Grantor or any constituent party of the Grantor, or any affiliate of any constituent party), and shall conduct business in its own name and shall maintain and utilize separate invoices and checks. The Grantor shall correct any known misunderstanding regarding its status as a separate entity and shall not identify itself or any of its affiliates as a division or part of the other. The Grantor will maintain adequate capital for the normal obligations reasonably foreseeable in a business of its size and character and in light of its contemplated business operations. Neither the Grantor nor any constituent party will seek or effect the liquidation, dissolution, winding up, consolidation or merger, in whole or in part, of the Grantor. The Grantor will not commingle the funds and other assets of the Grantor with those of any affiliate or constituent party, or any affiliate of any constituent party, or any other person. The Grantor has and will maintain its assets in such a manner that it will not be costly or difficult to segregate, ascertain or identify its individual assets from those of any affiliate or constituent party, or any affiliate of any constituent party, or any other person. The Grantor does not and will not hold itself out to be responsible for the debts or obligations of any other person.

Section 2.24 *General Indemnity.* In addition to any other indemnifications provided herein, or in the other Operative Agreements, the Grantor will, at its sole cost and expense protect, defend, indemnify and save harmless the Trustee and the Beneficiary on an after-tax basis from and against all liabilities, losses, damages, demands, claims, obligations, suits or other proceedings (including, causes of action, litigation and defenses), settlement proceeds, fines, penalties, assessments, citations, directives, judgments, fees, costs, disbursements or other expenses of any kind or of any nature whatsoever (including, reasonable attorneys', consultants', and experts' fees and disbursements actually incurred in investigating, defending, settling or prosecuting any demand, claim, obligation, suit or other similar proceeding (collectively, *"Indemnified Liabilities")* (except to the extent caused solely by the gross negligence or willful misconduct of the Trustee or the Beneficiary, as applicable) which may be imposed on, incurred by or asserted or awarded against the Trustee or the Beneficiary because of (i) ownership of the Operative Agreements, the Granted Property or receipt of any Rents or in connection with the Trustee or Beneficiary exercising any right or performing any obligations under the Operative Agreements; (ii) any accident, injury to or death of persons or loss of or damage to property occurring in, on or about the Granted Property or on the adjoining sidewalks, curbs, adjacent property or adjacent parking areas, streets or ways; (iii) any use, non-use or condition in, on or about the Granted Property or on adjoining sidewalks, curbs, adjacent property or adjacent parking areas, streets or ways; (iv) any failure on Grantor's part to perform or comply with any of the terms of the Operative Agreements; (v) the performance of any labor or services or the furnishing of any materials or other property in respect of the Granted Property; (vi) to the extent not covered by insurance, any personal injury (including wrongful death) or property damage (real or personal) arising out of or related to Hazardous Materials or asbestos; (vii) the Granted Property's failure to comply with any legal requirements; (viii) the occupation, condition, operation, service, design, maintenance or management of the Granted Property; and (ix) any tax, duty, assessment or other charge imposed by any governmental authority on the making and recording of this Deed of Trust. Any Indemnified Liabilities payable to the Trustee or the

Beneficiary because of the application of this Section 2.24 will be secured by this Deed of Trust and will become immediately due and payable and will bear interest at the Default Rate from the date such Indemnified Liability is sustained by the Trustee and/or the Beneficiary until paid. The Grantor's obligations and liabilities under this Section 2.24 will survive any termination, satisfaction or assignment of the Operative Agreements and the exercise by the Trustee and/or the Beneficiary of any of its rights or remedies under the Operative Agreements including, the acquisition of the Granted Property by foreclosure or a conveyance in lieu of foreclosure as to events occurring prior thereto.

Section 2.25 *No Forfeiture.* The Grantor represents and warrants to the Beneficiary that, as of the Closing Date, the Grantor has not committed any act or omission affording any governmental authority the right of forfeiture against the Granted Property or any monies paid in performance of the Grantor's obligations under the Operative Agreements. The Grantor agrees not to commit, permit or suffer to exist any act, omission or circumstance affording such right of forfeiture. In furtherance thereof, the Grantor indemnifies the Trustee and the Beneficiary and agrees to defend and hold the Trustee and the Beneficiary harmless from and against any costs because of the breach of the agreements or the representations and warranties set forth in this Section 2.25.

SECTION 3. POSSESSION, USE AND RELEASE OF PROPERTY.

Section 3.1 *The Grantor's Right of Possession.* Provided no Default or Event of Default has occurred and is continuing, the Grantor shall be permitted to remain in full possession, enjoyment and control of the Granted Property subject always to the observance and performance of the terms of this Deed of Trust and the other Operative Agreements. It is expressly understood that the use and possession of the Granted Property by the LVCVA or any of its permitted subtenants under and subject to the Naming Rights Agreement shall not constitute a violation of this Section 3.1.

Section 3.2 *Release of Granted Property - Event of Loss and Prepayment of Note.* Upon the occurrence of any Event of Loss in respect of the Granted Property, the Grantor shall give the Beneficiary, within twenty (20) days after the occurrence thereof, written notice of such Event of Loss, which notice shall specify (a) in the case of a casualty, that the Grantor will repair or rebuild the Granted Property as provided in the Naming Rights Agreement, or (b) in the case of a condemnation, that the Grantor shall restore the Granted Property or (ii) the Grantor shall prepay the Note in accordance with Section 4.1 hereof. In the event such notice specifies that the Grantor will make such prepayment, then the Trustee and Beneficiary shall execute a release in respect of the Granted Property upon receipt of such prepayment in full and all other Indebtedness Hereby Secured.

Section 3.3 *Eminent Domain.* The Grantor, immediately upon obtaining knowledge of the institution of any proceedings for the condemnation of the Granted Property or any portion thereof, shall notify the Beneficiary of the pendency of such proceedings. The Beneficiary may participate in any such proceedings, and the Grantor from time to time will deliver or cause to be delivered to the Beneficiary all instruments requested by it to permit such participation. In the event of such condemnation proceedings, the award or compensation payable to the Grantor shall be paid to the Beneficiary, and such award or compensation shall be retained by the Beneficiary

as part of the Granted Property and applied in accordance with Section 4.1 (a)(i) or (ii) hereof; *provided* that, if such application results in only a partial prepayment of the Note and the Naming Rights Agreement remains in effect, the amortization schedule on the Note will be adjusted to take into account any reduction in rent under the Naming Rights Agreement. The Beneficiary shall be under no obligation to question the amount of the award or compensation and the Beneficiary may accept any such award or compensation. In any such condemnation proceedings the Beneficiary may be represented by counsel, whose reasonable costs and disbursements shall be paid by the Grantor.

SECTION 4. APPLICATION OF INSURANCE AND CERTAIN OTHER MONEYS RECEIVED BY THE BENEFICIARY.

Section 4.1 *Insurance Proceeds and Condemnation Awards,* (a) Subject to Section 4.4 hereof, the amounts received by or payable to the Beneficiary from time to time which constitute insurance proceeds in respect of any damage to or destruction or condemnation of the Granted Property or any part thereof, condemnation awards or compensation covering the Granted Property (less the actual costs, fees and expenses incurred in the collection thereof), shall be held by the Beneficiary as part of the Granted Property and shall be applied by the Beneficiary as follows:

(i) if a casualty occurs which results in a termination of the Naming Rights Agreement or if a condemnation occurs which results in the termination of the Naming Rights Agreement (in either case as evidenced by a certificate of the LVCVA detailing the same) and the Grantor shall be required to prepay the Note pursuant to Section 2.12 of this Deed of Trust, such proceeds, award or compensation, as the case may be, shall be applied in payment and satisfaction of the outstanding principal and accrued interest on the Note to the date of payment upon the terms and in the manner provided in Section 2.12 of this Deed of Trust, and the balance, if any, of any such proceeds shall be paid to the Grantor; or

(ii) if a casualty or condemnation occurs which does not result in the termination of the Naming Rights Agreement and the Grantor or the LVCVA shall be required to repair, rebuild or restore the Granted Property as required pursuant to the Naming Rights Agreement, all casualty insurance proceeds resulting from such casualty and/or all condemnation awards and condemnation insurance proceeds resulting from such condemnation shall be paid over by the Beneficiary to the Grantor (or as the Grantor may direct from time to time) upon a written application of the Grantor and accompanied by such evidence in detail as may be reasonably satisfactory to the Beneficiary supporting such application for the purpose of paying, or reimbursing the Grantor for the payment of, the reasonable cost, as shown by such certificate, of repairing, rebuilding or restoring part or all of the Granted Property damaged, destroyed or taken *("Restoration"),* but only for and to the extent that the Grantor shows by such evidence of costs that the proceeds, award or compensation *("Restoration Funds")* remaining on deposit with the Beneficiary, together with any additional funds irrevocably allocated or otherwise provided for in a manner satisfactory to the Beneficiary for such purpose, shall be sufficient to complete such Restoration and restore the

(iii) Granted Property (as nearly as practicable) at least to the market value and condition which existed immediately prior to the damage, destruction, condemnation or taking, as the case may be, free from liens or encumbrances except Permitted Encumbrances. The Grantor shall deliver to the Beneficiary any additional funds needed to complete the Restoration prior to the disbursement of any Restoration Funds. Every such application for the payment of such proceeds, award or compensation shall state that no Event of Default has occurred and is continuing. Any proceeds in excess of the amount needed for Restoration remaining after the Restoration has been completed shall be (i) if the amount of rent payable under the Naming Rights Agreement has been reduced as a result of such condemnation or casualty, such amounts shall be held by the Beneficiary and at the option of the Beneficiary either (y) applied to future payments on the Note as they come due (or as otherwise required to satisfy any obligations of the Grantor under any of the Operative Agreements) to the extent necessary after the application of each rent payment thereafter received or (z) applied to the outstanding principal (without premium) and interest then due on the Note *(provided* that, if amounts are applied to principal, the amortization schedule on the Note shall be adjusted to, if possible, avoid a future payment default while at the same time amortize the outstanding principal on the Note in full by the original maturity date of the Note) or (ii) if the amount of rent payable under the Naming Rights Agreement has not been so reduced as a result of such condemnation or casualty and so long as no Default or Event of Default is then existing, such amounts shall be disbursed to the Grantor. The Beneficiary shall receive a supplement hereto, as insured by appropriate title insurance acceptable to the Beneficiary.

(b) Subject to Section 2.15(b) hereof with respect to adjustments of losses, any appraisal or adjustment of such loss or any settlement or payment of indemnity therefor which shall be agreed upon between the Grantor and the relevant insurance company shall be accepted by the Beneficiary.

(c) If a condemnation occurs with respect to the Granted Property, each of the Grantor and the Beneficiary will take all reasonable measures available to it to preserve its rights of recovery with respect to the Granted Property and maximize any condemnation award or other recoveries to which it may be entitled (including without limitation, as against the LVCVA and the Grantor).

Section 4.2 *Title Insurance.* Any moneys received by the Beneficiary as payment for any loss under any policy of title insurance which was delivered by the Grantor shall become part of the Granted Property and shall be paid and applied in the same manner contemplated by Section 5.3 hereof.

Section 4.3 *Investment of Insurance Proceeds and Condemnation Awards or Compensation.* All insurance proceeds, condemnation awards or compensation received by the Beneficiary as payment for any casualty occurrence or condemnation relating to the Granted Property under any policy of insurance or as an award or compensation for the taking in condemnation or other eminent domain proceedings relating to the Granted Property or any part

thereof which is to be disbursed pursuant to Section 4.1(a) hereof shall, at the written request of the Grantor in form satisfactory to the Beneficiary, be invested or reinvested by the Beneficiary in (a) direct obligations of the United States of America maturing in not more than ninety (90) days from the date of such investment, (b) commercial paper maturing within two hundred and seventy (270) days from the date of acquisition and rated in the highest rating classification by at least one national rating agency, (c) certificates of deposit of commercial banks in the United States of America with capital and surplus of $100,000,000 or more maturing in not more than five (5) days from the date of such investment, or (d) U.S. dollar denominated deposit accounts with domestic national or commercial banks that have a short term issuer rating on the date of purchase of "A-1+" or "A-l" by S&P or "Prime-1" or better by Moody's and maturing no more than three hundred sixty (360) days after the date of purchase. Any amounts earned on such investments shall accrue to the benefit of the Grantor and shall be disbursed in accordance with the terms of Section 4.1 hereof. The Beneficiary shall bear no liability for any losses incurred as a result of investing the funds in accordance with this paragraph, or for the failure of Company to give Beneficiary written instructions to invest or reinvest. Uninvested funds held hereunder shall not earn or accrue interest. Upon a written request of the Grantor in accordance with the terms of this Deed of Trust, or at any time when the Beneficiary shall determine that cash is required pursuant to Section 4.1 hereof, the Beneficiary shall sell all or any designated part of such investments at the then market price therefor and shall pay and apply the proceeds in accordance with the terms of Section 4.1. Beneficiary may make any investments pursuant to this Section 4.3 by or through Wells Fargo Trust Company, National Association or any of its affiliates.

With respect to any investments made by Beneficiary or any of its affiliates, the Grantor acknowledges that upon its written request and at no additional cost, it has the right to receive notification after the completion of each purchase and sale of investments. The Grantor agrees that such notifications shall not be provided by the Beneficiary hereunder, and Beneficiary shall make available, upon request and in lieu of notifications, periodic account statements that reflect such investment activity. No statement need be made available for any fund/account if no activity has occurred in such fund/account during such period.

Section 4.4 *Application If Event of Default Exists.* Notwithstanding anything to the contrary contained in this Section 4, if an Event of Default has occurred and is continuing to the knowledge of the Beneficiary, all amounts received by the Beneficiary under this Deed of Trust shall be applied in the manner provided for in Section 5 hereof in respect of proceeds and avails of the Granted Property.

SECTION 5 . DEFAULTS AND REMEDIES THEREFOR.

Section 5.1 *Events of Default.* Any one or more of the following shall constitute an Event of Default as the term is used herein:

(a) Default in the payment of interest or principal or premium, if any, on the Note when the same shall have become due and such Default shall continue for five (5) days; or

(b) Default shall occur in the observance and performance of any covenant or agreement contained in Section 2.3, 2.4, 2.15, 2.18(b)(ii) or 2.18(b)(iii) hereof; or

(c) Default shall occur in the observance or performance of any other provision of this Deed of Trust not specifically described in the foregoing subparagraphs of this Section 5.1 which is not remedied within thirty (30) days after the earlier of (i) written notice thereof from the Beneficiary or the Escrow Agent to the Grantor, or (ii) the first date on which an officer, member, partner, trustee or beneficial owner of the Grantor shall have actual knowledge of such a Default; or

(d) Default shall occur under the Naming Rights Agreement and such default shall continue beyond the period of grace, if any, allowed with respect thereto; *provided, however,* that the Grantor may cure any payment default by the LVCVA for a period of not more than twelve (12) months in a row and not more than twenty-four (24) months in the aggregate prior to the Maturity Date; or

(e) An Escrow Shortfall shall occur under the Escrow and Servicing Agreement; or

(f) If any statement, certification, representation or warranty made by the Grantor herein or in any other Operative Agreement, or made by or on behalf of the Grantor in any statement or certificate furnished by or on behalf of the Grantor in connection with the consummation of the issuance and sale of the Note or furnished by or on behalf of the Grantor or pursuant to the Note Purchase Agreement or any other Operative Agreement, proves untrue in any material respect as of the date of the issuance or making thereof; or

(g) [Intentionally Omitted]; or

(h) If final judgment for the payment of money shall be rendered against the Grantor and the Grantor shall not discharge or cause the same to be discharged within sixty (60) days from the entry thereof or shall not appeal therefrom or from the order, decree or process upon which or pursuant to which said judgment was granted, based or entered and secure a stay of execution pending such appeal; or

(i) If the Grantor defaults under any other security agreement covering any part of the Granted Property whether it be superior or junior in lien to this Deed of Trust and the same is accelerated as a result of such default; or

(j) The Grantor: (1) admits in writing its inability to pay its debts generally as they become due; (2) files a petition in bankruptcy or a petition to take advantage of any insolvency act; (3) makes an assignment for the benefit of creditors generally; (4) consents to, or acquiesces in, the appointment of a receiver, liquidator or trustee of itself or of the whole or any substantial part of its properties or assets; (5) files a petition or answer seeking reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under the federal bankruptcy laws or any other comparable federal or state statute or law; (6) has a court of competent jurisdiction enter an order, judgment or decree appointing a receiver, liquidator or trustee of the Grantor, or of the whole or any substantial part of the property or assets of the Grantor; (7) has a petition filed against it seeking reorganization, arrangement, composition, readjustment,

liquidation, dissolution or similar relief under the federal bankruptcy laws or any other comparable federal or state statute or law and such petition shall remain undismissed for sixty (60) days; (8) under the provisions of any other law for the relief or aid of debtors, has any court of competent jurisdiction assume custody or control of the Grantor or of the whole or any substantial part of its property or assets; (9) has an attachment or execution levied against any substantial portion of any property of the Grantor which is not discharged or dissolved by a bond within ten (10) days; (10) ceases to exist, is liquidated, or is dissolved; or (11) if any of the foregoing occurs with respect to the LVCVA; or

(k) The Naming Rights Agreement shall cease to be in full force and effect for any reason whatsoever, including, without limitation, a determination by any governmental body or court that such agreement is invalid, void or unenforceable; or

(l) An event of default shall occur under or with respect to any provision of any Operative Agreement, which event of default is not specifically described in any other subparagraph of this Section 5.1; or

(m) If the Team relocates any home games to any facility or stadium other than the Property whether within or outside the Las Vegas metropolitan area, other than on a temporary basis for bona fide remodeling, casualty or other force majeure (other than insufficient funds), so long as in any such case (i) the Grantor is continuously and diligently attempting in good faith to restore the Granted Property, (ii) either no Casualty Adjustment (as defined in the Naming Rights Agreement) has occurred or will occur as a result of such relocation or the Grantor is timely making up any Casualty Adjustment until the Mortgaged Property is so restored, and (iii) each of the Team Lease and the SNDA Agreement with the Team remains in full force and effect; or

(n) If the Grantor assigns, pledges, mortgages, hypothecates or grants a security interest in and to any or all of the Grantor's right, title or interest in and to the Naming Rights Agreement to any Person other than the Beneficiary or the Trustee for the benefit of the Beneficiary.

Section 5.2 *Remedies.* When any Event of Default described in subparagraph (j) of Section 5.1 has occurred, then the Note shall immediately become due and payable without presentment, demand or notice of any kind and when any Event of Default has occurred and is continuing, the Beneficiary (or the Trustee if required by law) may, but shall be under no obligation to, exercise any one or more or all, and in any order, of the remedies hereinafter set forth, it being expressly understood that no remedy herein conferred is intended to be exclusive of any other remedy or remedies; but each and every remedy shall be cumulative and shall be in addition to every other remedy given herein or now or hereafter existing at law or in equity or by statute:

(a) The Beneficiary (or the Trustee if required by law) may, by notice in writing to the Grantor declare the entire unpaid balance of the Note to be immediately due and payable; and thereupon all such unpaid balance, together with all accrued interest thereon and premium, if any, shall be and become immediately due and payable without any presentment, demand, protest or other notice of any kind, all of which are hereby

expressly waived. Upon the Note becoming due and payable as a result of any Event of Default as aforesaid, whether such acceleration is automatic or not and regardless of any remedies effectuated by the Beneficiary or the Trustee, the Grantor will forthwith pay to the Beneficiary the entire principal and interest accrued on the Note and, to the extent permitted by law and as liquidated damages and not as a penalty and not as a claim for un-matured interest, an additional amount equal to the then applicable Make-Whole Amount determined as of the date on which the Note shall so become due and payable. The Make-Whole Amount represents a reasonable forecast of the damages caused by any prepayment or by any payment made prior to the scheduled payment date. No course of dealing on the part of the Beneficiary nor any delay or failure on the part of the Beneficiary to exercise any right shall operate as a waiver of such right or otherwise prejudice the Beneficiary's rights, powers and remedies. The Grantor further agrees, to the extent permitted by law, to pay to the Beneficiary and the Trustee all costs and expenses incurred by it in the collection of the Indebtedness Hereby Secured upon any default hereunder or thereon, including the reasonable compensation to the Beneficiary's attorneys and the Trustee's attorneys for all services rendered in connection therewith.

(b) Subject always to the then existing rights, if any, of the LVCVA or any permitted subtenant or assignee under the Naming Rights Agreement, the Beneficiary (or the Trustee if required by law) personally or by agents or attorneys may, to the extent permitted by law (i) enter into and take possession of all or any part of the Granted Property, and may forthwith use, operate, manage, insure, repair and improve the Granted Property and take any other action which, in the Beneficiary's judgment, is necessary or proper to conserve the value of the Granted Property, (ii) collect and receive all earnings, revenues, rents, issues, profits and income from the Granted Property or any part thereof (and for such purpose the Grantor does hereby irrevocably constitute and appoint the Beneficiary (or the Trustee if required by law) its true and lawful attorney-in-fact for it and in its name, place and stead to receive, collect and receipt for all of the foregoing, the Grantor irrevocably acknowledging that any payment made to the Beneficiary hereunder shall be a good receipt and acquittance against the Grantor to the extent so made), (iii) pay all principal charges including taxes and assessments levied thereon and operating and maintenance expenses and all disbursements and liabilities of the Grantor hereunder and (iv) apply the net proceeds arising from any such operation of the Granted Property as provided in Section 5.3 hereof in respect of the proceeds of a sale of the Granted Property. The right to enter and take possession of the Granted Property and use any personal property therein, to manage, operate and conserve the same, and to collect the rents, issues and profits thereof, shall be in addition to all other rights or remedies of the Beneficiary (or the Trustee, if required by law) hereunder or afforded by law, and may be exercised concurrently therewith or independently thereof. The expenses (including any reasonable receiver's fees, counsel fees, costs and agent's compensation) incurred pursuant to the powers herein contained shall be secured hereby which the Grantor promises to pay upon demand together with interest at the Default Rate. The Beneficiary shall not be liable to account to the Grantor for any action taken pursuant hereto other than to account for any rents actually received by the Beneficiary. Without taking possession of the Granted Property, the Beneficiary (or the Trustee, if required by law) may, in the event the Granted Property becomes vacant or is abandoned, take such steps as it deems appropriate to protect and secure the Granted Property (including hiring

watchmen therefor) and all costs incurred in so doing shall constitute so much additional Indebtedness Hereby Secured payable upon demand with interest thereon at the Default Rate.

(c) The Beneficiary (or the Trustee, if required by law) may, if at the time such action may be lawful and always subject to compliance with any mandatory legal requirements, either with or without taking possession and either before or after taking possession, and without instituting any legal proceedings whatsoever, and having first given notice of such sale to the Grantor at least thirty (30) days prior to the date of such sale and having given any other notice which may be required by law, sell and dispose of said Granted Property or any part thereof at public auction or private sale to the highest bidder, which may be the Grantor in one lot as an entirety or in separate lots (the Grantor for itself and for all who may claim by, through or under it hereby expressly waiving and releasing all rights to have the Granted Property marshalled to the extent permitted by law), and either for cash or on credit and on such terms as the Beneficiary may determine and at any place (whether or not it be the location of the Granted Property or any part thereof) designated in the notice above referred to. Any such sale or sales may be adjourned from time to time by announcement at the time and place appointed for such sale or sales or for any such adjourned sale or sales, without further published notice.

(d) The Beneficiary (or the Trustee, if required by law) may proceed to protect and enforce its rights by a suit or suits in equity or at law, or for the specific performance of any covenant or agreement contained herein or in the Note, or in aid of the execution of any power herein or therein granted, or for the foreclosure of this Deed of Trust, or for the enforcement of any other appropriate legal or equitable remedy. Upon the bringing of any suit to foreclose this Deed of Trust or to enforce any other remedy available hereunder, the plaintiff shall be entitled as a matter of right, without notice and without giving bond to the Grantor or anyone claiming under, by or through it, and without regard to the solvency or insolvency of the Grantor or the then value of the Granted Property, to apply to an appropriate court to have a receiver appointed of all the Granted Property and of the earnings, income, Sponsorship Fees, rents, issues, profits and proceeds thereof, with such power as the court making such appointment shall confer and the Grantor does hereby irrevocably consent to such appointment.

(e) In case of any sale of the Granted Property, or of any part thereof, pursuant to any judgment or decree of any court or otherwise in connection with the enforcement of any of the terms of this Deed of Trust, the Beneficiary (or the Trustee, if required by law) may bid and become the purchaser, and the purchaser or purchasers, for the purpose of making settlement for or payment of the purchase price, shall be entitled to turn in and use the Note and any claims for interest and premium matured and unpaid thereon, in order that there may be credited as paid on the purchase price the sum apportionable and applicable to the Note, including principal and interest and premium thereof, out of the net proceeds of such sale after allowing for the proportion of the total purchase price required to be paid in actual cash. If at any foreclosure proceeding the Granted Property shall be sold for a sum less than the total amount of indebtedness for which judgment is therein given, the Beneficiary shall be entitled to the entry of a

deficiency decree against the Grantor and against the property of the Grantor for the amount of such deficiency.

(f) The Beneficiary (or the Trustee, if required by law) shall have any and all rights and remedies (including, without limitation, extra judicial power of sale) provided to a secured party by the Uniform Commercial Code with respect to any and all parts of the Granted Property which are and which are deemed to be governed by the Uniform Commercial Code. Without limiting the generality of the foregoing, the Beneficiary (or the Trustee, if required by law) shall, with respect to any part of the Granted Property constituting property of the type in respect of which realization on a lien or security interest granted therein is governed by the Uniform Commercial Code, have all the rights, options and remedies of a secured party under the Uniform Commercial Code, including, without limitation, the right to the possession of any such property, or any part thereof, and the right to enter without legal process any premises where any such property may be found. Any requirement of said Uniform Commercial Code for reasonable notification shall be met by mailing written notice to the Grantor at its address set forth in Section 6.3 at least thirty (30) days prior to the sale or other event for which such notice is required.

(g) The provisions of this Section 5.2 are subject to the condition that if at any time after the Note has been declared due and payable by reason of the occurrence of any Event of Default described in Section 5.1, then in every such case the Beneficiary may at its option by notice in writing sent to the Grantor, rescind and annul any such declaration and its consequences with respect to the Note and in any such event the Grantor, the Trustee and the Beneficiary shall be restored to their former positions and rights hereunder, respectively; *provided* that at the time such declaration is annulled and rescinded:

(i) no judgment or decree has been entered for the payment of any monies due pursuant to the Note or this Deed of Trust;

(ii) all arrears of interest upon the Note and all other sums payable under the Note and under this Deed of Trust (except any principal, interest or premium on the Note which has become due and payable solely by reason of such declaration under Section 5.2) shall have been duly paid; and

(iii) each and every other Default and Event of Default shall have been made good, cured or waived pursuant to Section 5.1;

and *provided further,* that no such rescission and annulment shall extend to or affect any subsequent Default or Event of Default or impair any right consequent thereto.

Section 5.3 *Application of Proceeds.* The purchase money proceeds and/or avails of any sale of the Granted Property, or any part thereof, and the proceeds and the avails of any remedy hereunder and/or amounts held pursuant to Section 4 hereof shall be paid to and applied as follows:

(a) first, to the payment of costs and expenses of foreclosure or suit, if any, and of such sale, and to the extent permitted by applicable law, the reasonable

compensation of the Beneficiary, its agents, attorneys and counsel and of all proper expenses, liability and advances incurred or made hereunder by the Beneficiary, and of all taxes, assessments or liens superior to the lien of these presents, except any taxes, assessments or other superior lien subject to which said sale may have been made; and

(b) second, to the amount then owing or unpaid on the Note for principal, premium, if any, and interest; and in case such proceeds shall be insufficient to pay in full the whole amount so due, owing or unpaid upon the Note, then to the Beneficiary, with application on the Note to be made, first, to unpaid premium, if any, second, to the unpaid interest thereon, and third, to unpaid principal thereof; and

(c) third, to the payment of any other Indebtedness Hereby Secured; and

(d) fourth, to the payment of the surplus, if any, to the Grantor, its successors and assigns, or to whomsoever may be lawfully entitled to receive the same.

Section 5.4 *Waiver of Extension, Appraisement and Stay Laws.* The Grantor covenants that, upon the occurrence of an Event of Default and the acceleration of the Note pursuant to Section 5.2 and to the extent that such rights may then be lawfully waived, it will not at any time thereafter insist upon or plead, or in any manner whatever claim or take any benefit or advantage of, any stay or extension or moratorium law now or at any time hereafter in force, or claim, take or insist upon any benefit or advantage of or from any law now or hereafter in force providing for the valuation or appraisement of the Granted Property or any part thereof prior to any sale or sales thereof to be made pursuant to any provision herein contained, or to the decree, judgment or order of any court of competent jurisdiction or, after confirmation of any such sale or sales claim or exercise any right under any statute now or hereafter made or enacted by any state or otherwise to redeem the property so sold or any part thereof, and hereby expressly waives for itself and on behalf of each and every Person, all benefit and advantage of any such law or laws which would otherwise be available to any such Person in connection with the enforcement of any of the Beneficiary's remedies hereunder; and covenants that it will not in connection with any such enforcement proceedings invoke or utilize any such law or laws or otherwise hinder, delay or impede the execution of any power herein granted and delegated to the Beneficiary but will suffer and permit the execution of every such power as though no such law or laws had been made or enacted. The Grantor hereby waives any and all rights of redemption from sale under any order or decree of foreclosure pursuant to rights herein granted, on behalf of the Grantor, and each and every Person acquiring any interest in, or title to the Granted Property described herein subsequent to the date of this Deed of Trust, and on behalf of all other Persons to the extent permitted by applicable law.

Any sale, whether under any power of sale hereby given or by virtue of judicial proceedings, shall operate to divest all right, title, interest, claim and demand whatsoever, either at law or in equity, of the Grantor in and to the property sold and shall be a perpetual bar, both at law and in equity, against the Grantor, its successors and assigns, and against any and all persons claiming the property sold or any part thereof under, by or through the Grantor, its successors or assigns.

Section 5.5 *Costs and Expenses of Foreclosure and/or Exercise of Remedies.* In any suit to foreclose the lien hereon and/or in connection with the exercise by the Beneficiary of any remedial rights under this Deed of Trust, any of the other Operative Agreements or any other document entered into in connection with the Operative Agreements, there shall be allowed and included as additional Indebtedness Hereby Secured in the decree for sale all reasonable expenditures and expenses which may be paid or incurred by or on behalf of the Beneficiary for attorney's fees, appraiser's fees, outlays for documentary and expert evidence, stenographic charges, publication costs and costs (which may be estimated as the items to be expended after the entry of the decree) of procuring all such abstracts of title, title searches and examination, guarantee policies, and similar data and assurances with respect to title as the Beneficiary may deem to be reasonably necessary either to prosecute any foreclosure action or the exercise of such remedial rights or to evidence to the bidder at any sale pursuant thereto the true condition of the title to or the value of the Granted Property, all of which expenditures shall become so much additional Indebtedness Hereby Secured which the Grantor agrees to pay and all of such shall be immediately due and payable with interest thereon from the date of expenditure until paid at the Default Rate.

Section 5.6 *Delay or Omission Not a Waiver.* No delay, failure or omission of the Beneficiary to exercise any right, power or remedy arising from any default on the part of the Grantor shall exhaust or impair any such right or power or prevent its exercise during the continuance of such default. No waiver by the Beneficiary of any such default, whether such waiver be full or partial, shall extend to or be taken to affect any subsequent default, or to impair the rights resulting therefrom, except as may be otherwise provided herein. No right, power or remedy hereunder is intended to be exclusive of any other right, power or remedy but each and every right, power and remedy shall be cumulative and in addition to any and every other right, power and remedy given hereunder or otherwise existing. Nor shall the giving, taking or enforcement of any other or additional security, collateral or guaranty for the payment of the Indebtedness Hereby Secured operate to prejudice, waive or affect the security of this Deed of Trust or any rights, powers or remedies hereunder; nor shall the Beneficiary be required to first look to, enforce or exhaust such other or additional security, collateral or guaranties.

Section 5.7 *Restoration of Positions.* If the Beneficiary has instituted any proceeding to enforce any right or remedy under this Deed of Trust by foreclosure, entry or otherwise and such proceeding has been discontinued or abandoned for any reason or has been determined adversely to the Beneficiary, then and in every such case the Grantor, the Trustee and the Beneficiary shall, subject to any determination in such proceeding, be restored to their former positions hereunder, and thereafter all rights and remedies of the Beneficiary shall continue as though no such proceedings had been instituted.

Section 5.8 *Note to Become Due upon Sale.* Upon any sale under or by virtue of this Deed of Trust, except as permitted under Section 2.3(g) or (h) hereof, whether pursuant to foreclosure, power of sale or otherwise, the entire unpaid principal amount of the Note shall, if not previously declared due and payable, immediately become due and payable, together with interest accrued thereon and premium, if any, and all other Indebtedness Hereby Secured, anything contrary in this Deed of Trust, the Note or any other instrument serving the Note notwithstanding.

SECTION 6. MISCELLANEOUS

Section 6.1 *Successors and Assigns.* Whenever any of the parties hereto is referred to, such reference shall be deemed to include the successors and assigns of such party; and all the covenants, premises and agreements in this Deed of Trust contained by or on behalf of the Grantor, or by or on behalf of the Beneficiary, shall bind and inure to the benefit of the respective successors and assigns of such parties whether so expressed or not.

Section 6.2 *Severability.*. The unenforceability or invalidity of any provision or provisions of this Deed of Trust shall not render any other provision or provisions herein contained unenforceable or invalid.

Section 6.3 *Addresses for Notices and Demands.* All communications provided for herein shall be in writing and shall be deemed to have been given (unless otherwise required by the specific provisions hereof in respect of any matter) when received (or refused) delivered personally or when deposited in the United States mail, registered or certified, postage prepaid, or by prepaid overnight air courier, addressed as follows:

If to the Grantor: Clark County Las Vegas Stadium, LLC

13355 Noel Rd 22nd Floor

Dallas, Texas 75240

Attention: Legal Department

If to the Beneficiary: Wells Fargo Trust Company, National

Association, as Trustee
MAC: U1228-051

299 South Main Street, 5th Floor

Salt Lake City, Utah 84111

Attention: Corporate Trust Lease Group

LVCVA (Las Vegas, NV)

or as to either party at such other address as such party may designate by notice duly given in accordance with this Section to the other party.

Section 6.4 *Headings and Table of Contents.* The headings of the sections of this Deed of Trust and the table of contents are inserted for purposes of convenience only and shall not be construed to affect the meaning or construction of any of the provisions hereof.

Section 6.5 *Release of Deed of Trust.* The Beneficiary shall release this Deed of Trust and the lien hereof by proper instrument or instruments upon payment in full of all Indebtedness Hereby Secured.

Section 6.6 *Counterparts.* This Deed of Trust may be executed, acknowledged and delivered in any number of counterparts, each of such counterparts constituting an original but all together only one Deed of Trust.

Section 6.7 *Successor Trustee.* The Beneficiary may, at any time, by instrument in writing, appoint a successor or successors to, or discharge and appoint a new Trustee in the place

of, any Trustee named herein or acting hereunder, which instrument, executed and acknowledged by the Trustee, and recorded in the office of the County Recorder of the county wherein the Granted Property is situated, shall be conclusive proof of the proper substitution of such successor or successors or new Trustee, who shall have all the estate powers, duties, rights and privileges of the predecessor Trustee.

SECTION 6.8 *Intentionally Omitted.Time.* Time shall be of the essence for this Deed of Trust.

Section 6.10 *Limitations of Liability.* Notwithstanding anything to the contrary contained in the Operative Agreements, except as set forth in the Indemnity and Guaranty Agreement and the Hazardous Material Indemnity Agreement, no Person who directly or indirectly owns any membership or other equity interest in the Grantor (each, a *"Non-Recourse Person ")* shall have any personal liability for (i) the payment of any sum of money which is or may be payable under the Note or any other Operative Agreement, including, but not limited to, the repayment of the Note or (ii) the performance or discharge of any covenants, obligation or undertakings of the Grantor under any Operative Agreement, and no monetary or deficiency judgment shall be sought or enforced against any Non-Recourse Person with respect thereto. Nothing in this Section 6.10 is intended to or shall in any way affect or invalidate any lien or security interest created by this Deed of Trust. This Section 6.10 shall not be construed to prohibit the joining of the Grantor in any foreclosure procedure involving the Granted Property. This Section 6.10 shall not in any way affect the obligations of the LVCVA under the Naming Rights Agreement, any tenant under the Leases or any Lease Guarantor under any Lease Guaranty.

Section 6.11 *Expenses, Stamp Tax Indemnity.* Whether or not the Note is sold, the Grantor will pay all expenses relating to the Operative Agreements, including but not limited to: (i) the cost of reproducing the Operative Agreements; (ii) the reasonable fees and disbursements of Mayer Brown LLP, special counsel for the beneficial holder of the Note; (iii) the Beneficiary's out-of-pocket expenses; (iv) all recording and filing fees and stamp taxes in connection with the recordation or filing and rc-recordation or re-filing of the items referred to in Section 3.1(b) of the Note Purchase Agreement; (v) the reasonable fees and disbursements of the title company referred to in Section 3.2(c) of the Note Purchase Agreement in connection with the issuance of the title insurance policy and the reasonable fees and disbursements of the civil engineer or surveyor which conducted the survey referred to in Section 3.2(b) of the Note Purchase Agreement in connection with the preparation of such survey; (vi) the reasonable fees and disbursements of (a) the Person that prepared the Environmental Assessment referred to in Section 3.2(d) of the Note Purchase Agreement, (b) the Person that prepared the appraisal referred to in Section 3.2(e) of the Note Purchase Agreement, (c) the Construction Monitor, and (d) the Construction Escrow Agent; (vii) the reasonable fees and disbursements of the Escrow Agent in connection with its duties under the Escrow and Servicing Agreement; and (viii) all expenses relating to any amendments, waivers or consents pursuant to the provisions of any of the Operative Agreements, including without limitation, any amendments, waivers or consents resulting from any work-out, restructuring or similar proceedings relating to the performance by the Grantor of its obligations under any of the Operative Agreements or relating to the performance by the LVCVA of its obligations under the Naming Rights Agreement. The

obligations of the Grantor under this Section 6.11 shall survive the payment or prepayment of the Note and the termination of any of the Operative Agreements.

Section 6.12 *Cooperation.* The Grantor acknowledges that the Beneficiary and its successors and assigns may (a) sell, transfer or assign this Deed of Trust, the Note and the Operative Agreements to one or more investors as a whole loan, in a rated or unrated public offering or private placement, (b) participate the loan (the *"Loan")* secured by this Deed of Trust to one or more investors in a rated or unrated public offering or private placement, (c) deposit this Deed of Trust, the Note and the Operative Agreements with a trust, which trust may sell certificates to investors evidencing an ownership interest in the trust assets in a rated or unrated public offering or private placement, or (d) otherwise sell the Loan or any interest therein to investors in a rated or unrated public offering or private placement (the transactions referred to in clauses (a) through (d) are hereinafter referred to as *"Secondary Market Transactions") ; provided* that (i) the Beneficiary has first notified the Grantor of its intention to sell a participation or other interest in the Loan and the Grantor and the Beneficiary have obtained the prior written approval of MiLB and the governing minor league to such sale of a participation or other interest in the Loan, *provided, further,* that it shall not be necessary to provide any such notice or obtain MiLB and governing minor league approval for a sale of a participation by the Beneficiary to any Pre-Approved Assignee. The Grantor shall, at Beneficiary's expense, cooperate in good faith with Beneficiary in effecting any such Secondary Market Transaction and shall cooperate in good faith to implement all requirements reasonably imposed by the participants involved in any Secondary Market Transaction (including without limitation, an institutional purchaser, participant or investor) including, without limitation, all structural or other changes to the Loan, modifications to any documents evidencing or securing the Loan, delivery of opinions of counsel reasonably acceptable to such other purchasers, participants or investors may require; *provided, however,* that the Grantor shall not be required to modify any documents evidencing or securing the Loan which would modify (i) the interest rate payable under the Note, (ii) the stated maturity of the Note, (iii) the amortization of principal of the Note, or (iv) any other material terms or covenants of the Loan. The Grantor shall provide such information and documents relating to the Grantor, the Granted Property and the LVCVA as Beneficiary shall reasonably request. The Grantor acknowledges that certain information regarding the Loan and the parties thereto and the Granted Property may be included in a private placement memorandum, prospectus or other disclosure documents.

Section 6.13 *Intentionally Omitted.*

Section 6.14 *NAIC Filing.* The Grantor hereby represents and warrants to, and covenants with, the Trustee and the Beneficiary that as of the date hereof and until such time as the Indebtedness Hereby Secured shall be indefeasibly paid in full, the Grantor will take all such actions and otherwise cooperate with any request made by the Beneficiary, the Trustee or any of their respective special counsel which is reasonably necessary to ensure that the subject transaction shall be eligible for "Schedule D" reporting on the Beneficiary's NAIC Annual Statement and, if the NAIC determines that the Beneficiary's investment in the Note is not eligible for such "Schedule D" reporting, the Grantor will take such actions and otherwise cooperate with any request made by the Beneficiary or its counsel which is reasonably necessary to obtain such eligibility; *provided, however,* that (i) the Beneficiary acknowledges and agrees that the Grantor shall not be required to make any change or amendments which would have a

material adverse monetary effect on the Grantor or materially increase the obligations of the Grantor under the Operative Agreements and (ii) if required by the NAIC or any other regulatory body that the Beneficiary or any holder of a Trust Certificate is subject to, the Grantor shall, at its sole cost and expense, obtain and maintain a legal entity identifier or other globally recognized identifier. For purposes of this Section 6.14, any reference to Beneficiary shall also include any beneficial owner of the Beneficiary or any beneficial holder or other holder of the Note or any portion thereof.

Section 6.15 *Commitment.* The terms and conditions of the commitment and/or loan application entered into by or on behalf of the Grantor with respect to the transactions contemplated by the Operative Agreements are hereby incorporated herein by this reference and the Indebtedness Hereby Secured is hereby made expressly subject thereto. In the event of a conflict between the terms and conditions contained in such commitment and/or loan application on the one hand and the terms and conditions contained herein and in the other Operative Agreements on the other hand, the terms and conditions contained herein and in the other Operative Agreements shall control.

Section 6.16 *Usury Savings Clause.* Interest on the Indebtedness Hereby Secured by this Deed of Trust shall not exceed the maximum amount of non-usurious interest that may be contracted for, taken, reserved, charged, or received under law; any interest in excess of that maximum amount shall be credited on the principal of the Indebtedness Hereby Secured or, if that has been paid, refunded. On any acceleration or required or permitted prepayment, any such excess shall be cancelled automatically as of the acceleration or prepayment or, if already paid, credited on the principal of the Indebtedness Hereby Secured or, if the principal of the debt has been paid, refunded. This provision overrides other provisions in this Deed of Trust and all other Operative Agreement and instruments concerning the Indebtedness Hereby Secured.

Section 6.17 *Certain Prohibited Amendments.* If the Note is secured by a Special Risk Policy, the Beneficiary shall not consent to or otherwise approve any amendment or modification to any Operative Agreement that increases the Loss Amount (as defined in the Special Risk Policy) without the prior written consent of the Special Risk Insurer.

SECTION 7. DEED OF TRUST PROVISIONS.

Section 7.1 *Concerning the Trustee.* Trustee shall be under no duty to take any action hereunder except as expressly required hereunder or by law, or to perform any act which would involve Trustee in any expense or liability or to institute or defend any suit in respect hereof, unless properly indemnified to Trustee's reasonable satisfaction. Trustee, by acceptance of this Deed of Trust, covenants to perform and fulfill the trusts herein created, being liable, however, only for gross negligence or willful misconduct, and hereby waives any statutory fee and agrees to accept reasonable compensation, in lieu thereof, for any services rendered by Trustee in accordance with the terms hereof. Trustee may resign at any time upon giving thirty (30) days' notice to the Grantor and to Beneficiary. Beneficiary may remove Trustee at any time or from time to time and select a successor trustee. In the event of the death, removal, resignation, refusal to act, or inability to act of Trustee, or in its sole discretion for any reason whatsoever Beneficiary may, without notice and without specifying any reason therefor and without applying to any court, select and appoint a successor trustee, by an instrument recorded wherever

this Deed of Trust is recorded and all powers, rights, duties and authority of Trustee, as aforesaid, shall thereupon become vested in such successor. Such substitute trustee shall not be required to give bond for the faithful performance of the duties of Trustee hereunder unless required by Beneficiary. The procedure provided for in this paragraph for substitution of Trustee shall be in addition to and not in exclusion of any other provisions for substitution, by law or otherwise.

Section 7.2 *Trustee's Fees.* The Grantor shall pay all reasonable costs, fees and expenses incurred by Trustee and Trustee's agents and counsel in connection with the performance by Trustee of Trustee's duties hereunder and all such costs, fees and expenses shall be secured by this Deed of Trust.

Section 7.3 *Certain Rights.* With the approval of Beneficiary, Trustee shall have the right to take any and all of the following actions: (i) to select, employ, and advise with counsel (who may be, but need not be, counsel for Beneficiary) upon any matters arising hereunder, including the preparation, execution, and interpretation of the Note, this Deed of Trust or the other Operative Agreements, and shall be fully protected in relying as to legal matters on the advice of counsel, (ii) to execute any of the trusts and powers hereof and to perform any duty hereunder either directly or through his/her agents or attorneys, (iii) to select and employ, in and about the execution of his/her duties hereunder, suitable accountants, engineers and other experts, agents and attorneys-in-fact, either corporate or individual, not regularly in the employ of Trustee, and Trustee shall not be answerable for any act, default, negligence, or misconduct of any such accountant, engineer or other expert, agent or attorney-in-fact, if selected with reasonable care, or for any error of judgment or act done by Trustee in good faith, or be otherwise responsible or accountable under any circumstances whatsoever, except for Trustee's gross negligence or bad faith, and (iv) any and all other lawful action as Beneficiary may instruct Trustee to take to protect or enforce Beneficiary's rights hereunder. Trustee shall not be personally liable in case of entry by Trustee, or anyone entering by virtue of the powers herein granted to Trustee, upon the Granted Property for debts contracted for or liability or damages incurred in the management or operation of the Granted Property. Trustee shall have the right to rely on any instrument, document, or signature authorizing or supporting an action taken or proposed to be taken by Trustee hereunder, believed by Trustee in good faith to be genuine. Trustee shall be entitled to reimbursement for actual expenses incurred by Trustee in the performance of Trustee's duties hereunder and to reasonable compensation for such of Trustee's services hereunder as shall be rendered.

Section 7.4 *Retention of Money.* All moneys received by Trustee shall, until used or applied as herein provided, be held in trust for the purposes for which they were received, but need not be segregated in any manner from any other moneys (except to the extent required by applicable law) and Trustee shall be under no liability for interest on any moneys received by Trustee hereunder.

Section 7.5 *Perfection of Appointment.* Should any deed, conveyance, or instrument of any nature be required from the Grantor by any Trustee or substitute trustee to more fully and certainly vest in and confirm to the Trustee or substitute trustee such estates rights, powers, and duties, then, upon request by the Trustee or substitute trustee, any and all such deeds,

conveyances and instruments shall be made, executed, acknowledged, and delivered and shall be caused to be recorded and/or filed by the Grantor.

Section 7.6 *Succession Instruments.* Any substitute trustee appointed pursuant to any of the provisions hereof shall, without any further act, deed, or conveyance, become vested with all the estates, properties, rights, powers, and trusts of its or his/her predecessor in the rights hereunder with like effect as if originally named as Trustee herein; but nevertheless, upon the written request of Beneficiary or of the substitute trustee, the Trustee ceasing to act shall execute and deliver any instrument transferring to such substitute trustee, upon the trusts herein expressed, all the estates, properties, rights, powers, and trusts of the Trustee so ceasing to act, and shall duly assign, transfer and deliver any of the property and moneys held by such Trustee to the substitute trustee so appointed in the Trustee's place.

SECTION 8. CONCERNING THE BENEFICIARY.

It is expressly understood and agreed by the parties hereto and the holders of the Trust Certificates that, (a) this Deed of Trust is made in favor of the Beneficiary not in its individual or personal capacity but solely in its capacity as Trustee under the Trust Agreement on behalf of the Trust, in the exercise of the powers and authority conferred and vested in it as Trustee under the Trust Agreement, subject to the protections, indemnities and limitations from liability afforded to the Trustee thereunder; (b) in no event shall Wells Fargo Trust Company, National Association, in its individual capacity have any liability for the representations, warranties, covenants, agreements or other obligations of the Trust (or on behalf of the Trust) hereunder, as to all of which recourse shall be had solely to the Trust Property of the Trust; (c) nothing contained herein shall be construed as creating any liability on Wells Fargo Trust Company, National Association, individually or personally, to perform any expressed or implied covenant, duty or obligation of any kind whatsoever contained herein; and (d) under no circumstances shall Wells Fargo Trust Company, National Association, be personally liable for the payment of any fees, costs, indebtedness or expenses of any kind whatsoever or, except as set forth in Section 6.01(c) of the Trust Agreement, be personally liable for the breach or failure of any obligation, representation, agreement, warranty or covenant whatsoever made or undertaken by the Trustee or the Trust hereunder. In acting pursuant to this Deed of Trust, Wells Fargo Trust Company, National Association, in its capacity as Trustee, shall have the benefit of all of the rights, protections, limitations on liability and indemnities as provided to it in its capacity as Trustee under the Trust Agreement.

Notwithstanding anything contained herein, it is expressly understood that Beneficiary is acting as a trustee, and whenever any consent, approval, determination of acceptability, or other action of the Beneficiary is contemplated hereby, Beneficiary may act in accordance with the instructions of the appropriate percentage of certificate holders (pursuant to the Trust Agreement), or otherwise in accordance with the terms and provisions of the documents creating and relative to the administration of the Trust, and not on its own discretion.

SECTION 9 GOVERNING LAW; JURISDICTION; WAIVER OF JURY TRIAL.

THIS DEED OF TRUST SHOULD BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAWS OF THE STATE OF NEVADA. THE GRANTOR AGREES TO THE JURISDICTION OF ANY FEDERAL COURT LOCATED IN THE STATE OF NEVADA AND WAIVES ANY OBJECTION BASED ON FORUM NON CONVENIENS, AND ANY OBJECTION TO VENUE OF ANY ACTION INSTITUTED IN ANY OF THE AFOREMENTIONED COURTS. THE GRANTOR HEREBY KNOWINGLY AND FREELY WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, THE RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM, WHETHER IN CONTRACT, TORT OR OTHERWISE, RELATING DIRECTLY OR INDIRECTLY TO THE LOAN EVIDENCED BY THE NOTE, THE APPLICATION FOR THE EXTENSION OF CREDIT EVIDENCED BY THE NOTE, THIS DEED OF TRUST OR THE OTHER OPERATIVE AGREEMENTS OR ANY ACTS OR OMISSIONS OF GRANTEE, ITS OFFICERS, EMPLOYEES DIRECTORS OR AGENTS IN CONNECTION THEREWITH.

Initials of Grantor: */s/ GH*

[Signatures on Next Page]

IN WITNESS WHEREOF, the Grantor has caused this Deed of Trust to be executed, all as of the day and year first above written.

CLARK COUNTY LAS VEGAS STADIUM, LLC a

Delaware limited liability company

By /s/ Grant Herlitz

Name: Grant Herlitz
Title: President

STATE OF Texas)
)
COUNTY OF Dallas)

This instrument was acknowledged before me on July 6, 2018, by Grant Herlitz, as President of Clark County Las Vegas Stadium, LLC, a Delaware limited liability company.



/s/ Marissa Henderson
Signature of Notarial Officer

My Commission Expires: 8-22-18

Exhibit 10.21
Execution Version

NAMING RIGHTS AND MARKETING AGREEMENT

BETWEEN

LAS VEGAS CONVENTION AND VISITORS AUTHORITY

AND

CLARK COUNTY LAS VEGAS STADIUM LLC

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NAMING RIGHTS AND MARKETING AGREEMENT

THIS NAMING RIGHTS AND MARKETING AGREEMENT (the "**Agreement**") is made and entered into as of the Effective Date (defined below), by and between **Las Vegas Convention and Visitors Authority**, a local government entity of the State of Nevada ("**LVCVA**"), having its principal place of business at 3150 Paradise Road, Las Vegas, Nevada 89109, and **Clark County Las Vegas Stadium LLC** (the "**Company**"), having its principal place of business at 10801 W. Charleston Blvd., Third Floor, Las Vegas, Nevada 89135. For purposes of this Agreement, LVCVA and Company may each be referred to individually as a "**Party**" and may be collectively referred to as the "**Parties**."

RECITALS

WHEREAS, the Company owns one hundred percent of the limited liability company interests of Summerlin Las Vegas Baseball Club, LLC, a Delaware limited liability company (the "**Subsidiary**"), which owns the Las Vegas 51s baseball team (the "**Team**"), which is a member of the Pacific Coast League of Professional Baseball Clubs, Inc. (the "**PCL**");

WHEREAS, the Company intends to play its home baseball games in a new ball park, to be constructed in Las Vegas, Nevada, in an area generally known as Downtown Summerlin (the "**Ball Park**");

WHEREAS, the Company has the authority to license the right to name the Ball Park and to fulfill the obligations set forth herein;

WHEREAS, LVCVA desires to license from the Company, and the Company desires to license to LVCVA: (i) the exclusive right to name the Ball Park "**Las Vegas Ball Park**", and, (ii) in exchange for certain rights, fees and other consideration described herein, be entitled to certain marketing, promotional and other rights and entitlements as more fully described in this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants set forth in this Agreement and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties intending to be legally bound, agree as follows:

AGREEMENT

1. DEFINITIONS.

As used in this Agreement, the following terms, when capitalized, shall have the following meanings:

"AAA" has the meaning given to it in Section 12.9(a).

"AAA Rules" has the meaning given to it in Section 12.9(a).

"Advertising" means, collectively: (i) all advertising, signage, messages and displays of every kind and nature, whether now existing or developed in the future, through which a person advertises

or markets goods, services, events or any other items; and (ii) sponsorship and promotional activity of every kind and nature, whether now existing or developed in the future, through which a person creates a sponsorship association with another.

"Advertising Copy" means artwork, designs, logos, graphics, written copy, messaging, video, audio, electronic and digital content, as well as any other creative content put into a fixed, tangible form, used by or on behalf of LVCVA to advertise or promote its services or its brand.

"Affiliate" means a person or entity that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, a Party. The term 'control' means the possession of the power to direct the management and policies of the person or entity, whether through ownership of voting securities, by contract or otherwise.

"Agreement" has the meaning given it in the preamble.

"Appeal" has the meaning given to it in Section 12.9(g).

"Arbitration Award" has the meaning given to it in Section 12.9(e).

"Arbitration Procedure" means the procedure described in Section 12.9.

"Ball Park" has the meaning given it in the recitals.

"Ball Park Logo" means any logo(s) unique to or for the Ball Park that have been adopted and approved for use by LVCVA and the Company in writing from time to time and which include the Ball Park Name.

"Ball Park Marks" means the Ball Park Name and each Ball Park Logo.

"Ball Park Name" means the word mark "Las Vegas Ballpark," which is the exclusive and official name by which the Ball Park shall be known, and any stylized version of the word or mark "Las Vegas Ballpark".

Baseball Authorities" means, collectively, the PCL, NAPBL and MLB.

"Casualty Adjustment" has the meaning given it in Section 12.5(b).

"Claims" has the meaning given it in Section 8.1.

"Company" has the meaning given to it in the preamble.

"Company Default" has the meaning given to it in Section 12.3.

"Company Indemnified Parties" has the meaning given to it in Section 8.1.

"Company Marks" means any Mark now or in the future owned, licensed, or otherwise controlled by the Company or any Affiliate of the Company, other than the Ball Park Marks.

"Contract Year" means (i), for the first Contract Year, the period commencing on the Effective Date through December 31st of the year that includes the Effective Date and (ii), for subsequent Contract Years, each successive calendar year during the Term, unless earlier terminated.

"Corporate Sponsor" means any person or entity that enters into a sponsorship, Advertising, or other type of promotional relationship, agreement, or arrangement with the Company or the Team, or any Affiliate, assignee or successor of the Company or the Team.

"Default" means any LVCVA Default or Company Default (as defined in Article 12).

"Destination" means any tourist attraction, resort or vacation destination that depends primarily on tourism, and specifically includes any gaming destination or venue; provided, however, that, for purposes of this Agreement, the term "Destination" shall not include any property or destination that is owned or operated by The Howard Hughes Corporation or any of its affiliates (such as the South Street Seaport in New York City or Ward Village in Honolulu).

"Effective Date" means the first day of the year in which the Ball Park opens and the Team plays its full home game schedule at the Ball Park

"Event" means any sporting, athletic, political, business, entertainment, community, religious or other type of concert, show, exhibition or other event occurring at the Ball Park that is open to the public, but the term "Event" shall not include any private events (i.e., events not open to the public) held at the Ball Park.

"Excepted Event" means any Event other than a home game of the Team.

"Exclusive Rights" means the exclusive Ball Park Naming and sponsorship rights as set forth in Section 3 and Section 4.1(a).

"Executives" has the meaning given to it in Section 12.8(a)(i).

"Force Majeure Event" means the occurrence of any of the following for the period of time, if any, that the performance of a Party's obligations under this Agreement is actually delayed or prevented thereby: acts of God; casualty; acts of a public enemy; the confiscation or seizure by any governmental authority; interruption caused by failure of equipment or utilities; insurrections; wars or war-like action (whether actual, pending or expected); arrests or other restraints of government (civil or military); blockades; embargoes; epidemics; explosions; civil disturbance or disobedience; riot; sabotage; strike, lockout or labor dispute; terrorism, or threats of sabotage or terrorism, or any other- cause that is not within the reasonable control of the Party (or any Affiliate controlled by or under common control with such Party) affected thereby that is of a similar nature to those events listed above, and, in any event, is not foreseeable or a result of the negligence or willful misconduct of such Party (or any of its Affiliates). Force Majeure shall not, in any event, include a Party's financial inability to perform.

"Guidelines" has the meaning given to it in Section 5.4(b).

"LVCVA" has the meaning given to it in the preamble.

"LVCVA Default" has the meaning given to it in Section 12.1.

"LVCVA Indemnified Parties" has the meaning given to it in Section 8.2.

"LVCVA Marks" mean any Mark now or in the future owned, licensed, or otherwise controlled by LVCVA, which is expressly approved for use by LVCVA in connection with this Agreement, but specifically excluding, however, the Ball Park Marks.

"LVCVA Obligations" has the meaning given to it in Section 3.1(e).

"LVCVA Suite" has the meaning given to it in Section 6.2.

"Mark" means any trademark, trade name, trade dress, service mark, design, logo, slogan, symbol, mascot, character, identification, or other proprietary design.

"MLB" means Major League Baseball.

"NAPBL" means the National Association of Professional Baseball Leagues, also known as Minor League Baseball.

"Nevada Arbitration Act" has the meaning given to it in Section 12.9(c).

"Panel" has the meaning given to it in Section 12.9(g).

"Party" and "Parties" each has the meaning given it in the Introductory Paragraph.

"PCL" has the meaning given it in the recitals.

"Promotional Merchandise" means all licensed merchandise that incorporates the Ball Park Name and/or one or more Ball Park Logos thereon for purposes of promoting the Ball Park and its Events, including, for example, novelties, souvenirs, gifts, clothing, hats, video tapes, computer and video games, multimedia productions, CDs, DVDs, computer software, and sporting equipment, and including, without limitation, other merchandise that is sold or given away.

"Public Laws" has the meaning given to it in Section 11.2.

"Relocated Games or Events" has the meaning given it in Section 12.5.

"Replacement Events" has the meaning given to it in Section 3.1(k).

"RT" has the meaning given to it in Section 11.1.

"Signage" means all permanent, non-permanent and transitory signage and any and all other media formats of every kind and nature, whether now existing or developed in the future, located or appearing in, at or on the Ball Park and used for Advertising, marketing or other purposes (including directional and information purposes), including, but not limited to, any scoreboards, video display systems, advertising panels, structures or other improvements, fixtures or equipment, signs, banners or displays, time clocks, message boards, billboards and public address systems within the Ball Park; provided, however, that, for purposes of this Agreement, the term "Signage" shall not include any signage sold to or sponsored by a third party.

"Signs" mean the fixed, advertising panels installed in the Ball Park.

"Sponsorship Fee" has the meaning given it in Section 6.1.

"Sponsorship Rights" means the naming rights, sponsorship, promotional and other rights and benefits the Company shall provide (or cause to be provided) to LVCVA as set described in this Agreement.

"Subsidiary" has the meaning given to it in the recitals.

"Team" has the meaning given to it in the recitals.

"Team Marks" means any Mark now or in the future owned, licensed, or otherwise controlled by the Company (which control may be subject to PCL, NAPBL and/or MLB rules, as amended), used in connection with the Company.

"Term" has the meaning given it in Section 6.5.

"USPTO" shall have the meaning given to it in Section 5.1(a).

2. BALL PARK NAME.

2.1 Ball Park Name. The Parties agree that the Ball Park shall be named "Las Vegas Ballpark." The Ball Park shall continue to be so named for the entire Term of this Agreement. Upon execution of this Agreement, the Company shall: (i) use exclusively the Ball Park Name (and only the Ball Park Name) when referring to the Ball Park; (ii) include the Ball Park Name in all marketing, advertising, and promotional activities related to the Ball Park that are undertaken prior to the Effective Date; (iii) use the Ball Park Name and/or Ball Park Logo on temporary signage during construction or prior to installation of permanent signage; (iv) include in all agreements entered into after the date of execution of this Agreement (and for which reference to the Ball Park is relevant) a provision that requires the other Party or Parties to use the Ball Park Name (and only the Ball Park Name) when referring to the Ball Park; (v) use commercially reasonable efforts to cause all persons with which the Company has agreements existing as of the date of execution (and for which reference to the Ball Park is relevant) to use the Ball Park Name (and only the Ball Park Name) when referring to the Ball Park; and (vi) use commercially reasonable efforts to cause the print media to use the Ball Park Name (and only the Ball Park Name) when referring to the Ball Park. No other words or references may be added to the Ball Park Name during the Term of this Agreement, unless mutually agreed by the Parties. No shortened or alternative versions of the Ball Park Name shall be used unless LVCVA has consented, in writing, to such use.

2.2 Stylized Elements of Ball Park Name. Within six (6) months after the execution of this Agreement the LVCVA shall create the stylized elements of the Ball Park Name. The Parties must mutually agree on these stylized elements (including any changes thereto) and, if LVCVA wishes to change certain of the stylized elements of the stylized version(s) of the Ball Park Name (without changing the name itself), it shall notify the Company of such proposed change. All costs and expenses incurred by the Parties in the creation, development production and installation of the new stylized version(s) of the Ball Park Name shall be borne equally by the Parties.

2.3 Ball Park Logo. Within six (6) months after the execution of this Agreement, the LVCVA shall create a Ball Park Logo. The Parties must mutually agree on the Ball Park Logo (including any changes thereto) and, if LVCVA and the Company approve a new Ball Park Name or new stylized version(s) of the Ball Park Name pursuant to the foregoing provisions, then the Parties shall work together, at LVCVA's sole expense, to develop a new Ball Park Logo to the extent necessary to reflect the new Ball Park Name or the new stylized version(s) of the Ball Park Name, as the case may be, and to effect a smooth transition with respect thereto. The cost and expense of any such logo change shall be borne equally by the Parties.

3. SPONSORSHIP RIGHTS.

3.1 Sponsorship Rights; Fulfillment Report.

(a) Sponsorship Rights Granted to LVCVA. During the Term, the Company will provide (or cause to be provided) to LVCVA those certain Sponsorship Rights as set forth in this Agreement. LVCVA shall not be permitted to pass such Sponsorship Rights through to its Affiliates or any other person or entity without, in each instance, first obtaining the prior written approval of the Company, which approval may only be withheld if commercially reasonable and necessary. During the Term of this Agreement, the Company agrees that it will not sell or allow the display of any advertising for any Destination, other than Destinations located within Clark County, Nevada. Additionally, during the Term of this Agreement, the Company and the Subsidiary will cause a Triple A team to (i) play all of its home games at the Ball Park and (ii) such team to include the words "Las Vegas" in the team's name.

(b) Signage. The Ball Park Name and/or Ball Park Logo shall appear on all Ball Park exterior signs and all Ball Park concourse, section and suite signs, but shall not be required to appear on any signs that have been sold to, or sponsored by, a third party. The Ball Park Name and/or Logo also shall appear on the main Ball Park entrance sign, on the top of the main Ball Park scoreboard, on two outfield signs, on a sign to be located on the first base side of the Ball Park and on a sign to be located on the third base side of the Ball Park. The Company shall provide to LVCVA with a copy of the final plans for the Ball Park, and the size, placement and content of all the Signage must be mutually agreed by the Parties. Company warrants that, during the Term, LVCVA shall be the "Dominant Sponsor" at the Ball Park. To that end, Company shall ensure that no other Corporate Sponsor has more than eighty percent (80%) of aggregate square feet of signage within the Ball Park than the aggregate square feet of signage that LVCVA is provided pursuant to this Agreement. In the event that a Corporate Sponsor exceeds the limitations set forth in this Section 3.1(b), Company shall come into compliance with these requirements by either decreasing the Signage of the relevant Corporate Sponsor(s) or increasing the Signage of LVCVA. In no event will LVCVA be required to purchase additional Signage to comply with this Section 3.1(b). Any dispute regarding this Section 3.1(b) shall first be submitted to the Negotiated Resolution Process set forth in Section 12.8. If the Parties are unable to resolve the dispute using the Negotiated Resolution Process, then either Party may submit the dispute to the Arbitration Procedure pursuant to Section 12.9. Company shall be responsible for all costs of the initial installation of the LVCVA Signage, and LVCVA shall be responsible for the costs of any changes to the LVCVA Signage requested by LVCVA, except as otherwise provided herein.

(c) Team Name. The Company and the Team (and any subsequent Triple A team) must at all times during the Term include the words "Las Vegas" in the name of the Team (which currently is the "Las Vegas 51s") and these words must be clearly displayed in the primary Team logo.

(d) Printed Materials. The Ball Park Name and/or Ball Park Logo shall appear on all Team stationary, business cards, printed game tickets, game-day programs, parking passes, media guides, Ball Park suite menus and printed or magnetic Team schedules. In addition, LVCVA shall be entitled to two (2) full page, four color advertisements in each game-day program at no cost. LVCVA shall be responsible for the content of all such advertisements. If any printed materials are replaced with alternative means of publication or distribution (i.e., electronic, digital or social distribution), the Ball Park Name and/or Ball Park Logo shall appear on the replacement materials.

(e) Digital Advertising; VideoWall. If the Ball Park has digital advertising and/or a "video wall" or "video board" then, in this instance, during each Team home game and all Events where the "video wall" or "video board" is being used, LVCVA also shall be entitled to: (i) five (5) digital advertising banner ads lasting at least fifteen (15) seconds each in duration, and (ii) two (2) spots in the video wall lasting at least fifteen (15) seconds each in duration. The Parties shall mutually agree on the sequence and frequency of the display of such advertising. If such digital advertising is replaced or upgraded, the LVCVA shall be afforded the same or similar benefits as applicable to the replaced or upgraded digital advertising.

(f) Ball Park Employees. The Company shall ensure that: (i) all game-day ushers, ticket takers and other game-day employees wear appropriate Ball Park staff shirts and name badges and (ii) such shirts and name badges are embossed with the Ball Park Name and/or Ball Park Logo.

(g) Public Address Announcements. The Company shall ensure that all public address announcers for all Team home games: (i) use the Ball Park Name (and only the Ball Park Name) when referring to the Ball Park; (ii) prior to the start of each home game, welcome the fans to the Ball Park (using the Ball Park Name); and (iii) during each Team home game, make at least four (4) public address announcements for the LVCVA for marketing destinations in Clark County.

(h) Website Link. The Company shall cause the Team to provide a link to the LVCVA's website on the home page of the Team's website. If the Company develops a Ball Park website, the Company shall provide a link to the LVCVA's website on the home page of the Ball Park website. LVCVA shall have the right to approve the placement of, and the logo related to, these links.

(i) LVCVA Events. LVCVA shall have the right to use the Ball Park fourteen (14) times each Contract Year to host LVCVA events for no charge; provided, however, that LVCVA shall be responsible for and shall be required to pay any and all event related operating, promotional, advertising, security, insurance and other costs related to such events (but not including any overhead costs), and for any damage or repairs caused by, or resulting from, such events. LVCVA shall enter into a standard, rent-free licensing agreement with the Company each time it wishes to use the Ball Park for a LVCVA event. The dates and times of all LVCVA Events must be mutually agreed by the Parties at least thirty (30) days prior to each LVCVA event.

(j) Intentionally Deleted.

(k) Minimum Number of Events. During each Contract Year throughout the Term, the Company shall sponsor and host at least one hundred (100) Events, which shall include all of the Team's home games, local high school baseball tournaments and championship games and college baseball tournaments, and at least two (2) "Big League Weekend" pre-season, MLB exhibition games each Contract Year, which shall be televised to the local markets of each team and the LVCVA will be allotted at least one (1) on air interview for each of the televised games; provided, however, that the failure by the Company to sponsor and host at least one hundred (100) Events or any of the specific Events described herein shall not be grounds for LVCVA terminating this Agreement but, instead, the Company shall be liable for damages for any such failure in accordance with the provisions set forth in Section 12.5. In addition, the Company also shall use commercially reasonable efforts to get MLB to host (i) at least two (2) other pre-season MLB exhibition games each Contract Year and (ii) the Winter baseball meetings in Las Vegas as often as possible during the Term, and, if the Company shall fail to host at least two (2) other pre-season MLB exhibition games in any Contract Year (as provided in (i) above), then, in this instance, the Company shall be required to sponsor and host at least one hundred and five (105) Events during the applicable Contract Year (instead of the one hundred (100) Events for such Contract Year). In the event that Company shall fail to host at least two (2) other pre-season MLB exhibition games in any Contract Year (as provided in (i) above), then with respect to the additional five (5) Events to be hosted by Company (the "**Replacement Events**"), (i) the Parties agree to meet and confer on possibilities for the Replacement Events, (ii) Company shall use good faith efforts to add Replacement Events that bring out-of-Las Vegas market exposure to LVCVA and draw out-of-town tourists to the Replacement Events; and (iii) LVCVA shall have the right of approval over the Replacement Events, which approval shall not be unreasonably withheld, conditioned or delayed, provided that LVCVA must specifically reject a proposed Replacement Event within 10 business days of receipt of notice from Company on the Replacement Event, otherwise such Replacement Event shall be considered approved.

(l) Obligations of LVCVA. During the Term, LVCVA will be responsible for certain obligations in connection with the Sponsorship Rights granted to it by the Company (the "**LVCVA Obligations**"). The LVCVA Obligations are set forth more fully in **Schedule 1** to this Agreement.

(m) Fulfillment Report. The Company agrees to provide to LVCVA, within thirty (30) days after the end of each Contract Year, a fulfillment report outlining, in detail, the Company's compliance with its duties and obligations in fulfilling the Sponsorship Rights during the corresponding Contract Year as well as any consumer media evaluation as set forth immediately below.

3.2 Media Releases and Consumer Media Evaluation. Any media releases to be issued in connection with this Agreement must be approved by LVCVA and the Company in writing, prior to their release. In addition, the Parties agree that every three (3) years during the Term they will discuss any significant changes to the consumer and other media components of this Agreement and will make any agreed changes, as necessary.

3.3 Periodic Review of Sponsorship Rights. At no less than five (5) year intervals, the Parties shall meet and discuss modification of the Sponsorship Rights outlined in this Agreement to reflect LVCVA's marketing needs and Company's inventory of marketing benefit opportunities. If the Parties agree to adjust the Sponsorship Rights, the Parties shall do so in writing.

4. BALL PARK NAMING RIGHTS.

4.1 Primary Ball Park Naming Rights.

(a) During the Term of this Agreement, the Company agrees that LVCVA shall have the Exclusive Rights as the Naming rights sponsor of the Ball Park. LVCVA agrees that the rights granted by the Company pursuant to this Agreement constitute the sole rights of LVCVA in and to the Signage, and nothing in this Agreement shall convey to LVCVA any real property rights in and to the Ball Park or the Signage.

(b) Except as referenced herein and subject to the provisions set forth in Section 3, the Parties acknowledge and agree that the provisions set forth in Section 4.1 shall not prohibit or otherwise limit the Company from doing any or all of the following:

(i) except for the exclusive as to Destination advertising, displaying at the Ball Park the Marks of any other patrons, sponsors, organizers, suppliers, vendors, producers or other persons who has rented, leased or sponsored all or any portion of the Ball Park or who is selling any products or merchandise at the Ball Park or providing any services at the Ball Park or to the Team;

(ii) except for the exclusive as to Destination advertising, sell or distribute any promotional items at the Ball Park, which items bear the Mark of any other patron, sponsor, organizer, supplier, vendor, producer or other person;

(iii) except for the exclusive as to Destination advertising, sell naming rights or sponsorships related to any portion of the Ball Park or the areas outside the Ball Park, such as the plazas, the bullpens, the club, the scoreboard, the suites, the field, the party decks (if applicable) or any other similar portion of the Ball Park or areas outside the Ball Park, provided that LVCVA shall have the exclusive Signage on the top of the main scoreboard;

(iv) except for the exclusive as to Destination advertising, sell sponsorships or Advertising, or display such Advertising or any logos or other materials related to such Advertising or sponsorships; or

(v) except for the exclusive as to Destination advertising, display, perform, or permit the exercise of any form of legally protected speech at the Ball Park or allow the use of the Ball Park for such purposes.

4.2 New Teams, Leagues or Tenants. In the event that another professional or non-professional (e.g., collegiate) sports team or league agrees to play home games in the Ball Park, or another tenant agrees to rent the Ball Park for an Event during the Term, then the Company shall cause such team, league or tenant: (i) to recognize and abide by all of LVCVA's rights set forth in this Agreement and (ii) to refer to the Ball Park by the Ball Park Name in all promotions for that team, league or tenant that include references to the Ball Park.

5. OWNERSHIP AND USE OF MARKS.

5.1 Ownership.

(a) LVCVA Marks. LVCVA is the sole owner of the LVCVA Marks, and all rights associated with the LVCVA Marks (including, without limitation all goodwill associated with the LVCVA Marks, and all registrations and applications for registration of such Marks). In the event any or all of the LVCVA Marks have not already been registered with the United States Patent and Trademark Office (the "**USPTO**"), LVCVA may, at its sole cost and expense, register such LVCVA Marks with the USPTO in such classes as LVCVA and the Company reasonably believe are necessary pursuant to this Agreement; provided, however, that if LVCVA chooses not to register all of the LVCVA Marks, then LVCVA shall be solely responsible for any and all damages associated with the failure to register the LVCVA Marks, and LVCVA hereby indemnifies the Company Indemnified Parties in connection with any and all Claims for infringement involving the unregistered LVCVA Marks. Accordingly, the Company acknowledges and agrees that: (i) the LVCVA Marks are the sole property of LVCVA and nothing in this Agreement shall give the Company any right or title to or interest in such Marks (other than the limited rights expressly granted by this Agreement with respect to the use of such Marks), (ii) the Company, nor any person or entity acting on its behalf, shall register or attempt to register any of the LVCVA Marks or any other Mark that, in LVCVA's reasonable discretion is deemed to be confusingly similar thereto; (iii) the Company, nor any person or entity acting on its behalf, shall challenge the validity of or oppose or seek to cancel the registration of any of the LVCVA Marks, and (iv) any use of the LVCVA Marks by the Company, or any person or entity acting on its behalf, and all goodwill derived from any such use, regardless of whether or not such use is authorized by or in accordance with this Agreement, shall inure solely to the benefit of LVCVA.

(b) Team Marks and Ball Park Marks. The Company is the sole owner of the Company Marks, the Team Marks and the Ball Park Marks, and all rights associated with such Marks (including, without limitation all goodwill associated with such Marks and all registrations and applications for registration of such Marks). Accordingly, LVCVA acknowledges and agrees that: (i) the Company Marks, Team Marks and Ball Park Marks are the sole property of the Company, and nothing in this Agreement shall give LVCVA any right or title to or interest in such Marks (other than the limited rights expressly granted by this Agreement with respect to the use of such Marks), (ii) LVCVA, nor any person or entity acting on its behalf, shall register or attempt to register any of the Company Marks, the Team Marks, the Ball Park Marks or any other Mark that, in the Company reasonable discretion, is deemed to be confusingly similar thereto, (iii) LVCVA, nor any person or entity acting on its behalf, shall challenge the validity of or oppose or seek to cancel the registration of any of the Company Marks, Team Marks or Ball Park Marks and (iv) any use of the Company, Team or Ball Park Marks by LVCVA or any person or entity acting on its behalf, and all goodwill derived from any such use, regardless of whether or not such use is authorized by or in accordance with this Agreement, shall inure solely to the benefit of the Company. The Company may, at its sole cost and expense, register such Team Marks and Ball Park Marks with the USPTO in such classes as the Company reasonably believes are necessary pursuant to this Agreement; provided, however, that if the Company chooses not to register all of the Team Marks and Ball Park Marks, then the Company shall be solely responsible for any and all damages associated with the failure to register the Team Marks and Ball Park Marks, and the Company shall indemnify the LVCVA Indemnified Parties in connection with any and all Claims for infringement involving the unregistered Team Marks and Ball Park Marks.

(c) Other Marks Relating to the Ball Park. As between the Company and LVCVA, the Company shall own such other Marks (i.e., Marks other than the Company Marks, the Team Marks or the Ball Park Marks), works of authorship, architectural works, or ornamental designs that are associated with the likeness or appearance of the Ball Park, and the making and selling of Promotional Merchandise or other promotional items, specifically including any rights associated with the likeness or appearance of the Ball Park; provided, however, that ownership of such other Marks, works of authorship, architectural works, or ornamental designs will be subject to the Company's ownership of the Company Marks, Team Marks or Ball Park Marks, as the case may be, or any derivative of any of the foregoing Marks, and will confer no additional rights or interests in the Company Marks, Team Marks or the Ball Park Marks beyond those expressly granted in this Agreement. No depiction of a Company Mark, a Team Mark or a Ball Park Mark will be in conjunction with such works without the Company's permission. With respect to all other Marks associated in any manner with the Ball Park, Company shall incorporate the words "Las Vegas," provided, however, that an isolated or occasional failure to incorporate the words "Las Vegas" shall not be considered a breach of this Agreement.

5.2 Registration. The Company shall, at its sole cost and expense, apply to register and, if registered, shall maintain the registrations for each Company, Team or Ball Park Mark with the USPTO in such classes as the Company reasonably believes are necessary.

5.3 Grant of Licenses. Subject to the terms and conditions set forth in this Agreement:

(a) License to Use the Team Marks and Ball Park Marks. The Company hereby grants to LVCVA a non-exclusive, royalty-free license to use the Company Marks, Team Marks and Ball Park Marks to advertise and promote the fact that LVCVA or Las Vegas is the naming rights sponsor of the Ball Park, and to promote LVCVA's sponsorship of the Ball Park and to promote Clark County Destination(s). The Company shall provide LVCVA reasonable access to the Ball Park for purposes of filming or photographing advertisements and commercials as contemplated by this Section 5.3(a) and any other purpose at no charge to LVCVA, provided, that LVCVA shall (i) enter into a standard licensing agreement with the Company to use the Ball Park and (ii) pay all costs, other than rent and utilities, incurred in connection with such access and use. LVCVA acknowledges and agrees that any and all uses of the Company, Team or Ball Park Marks must first be approved in writing by the Company, with such approval not to be unreasonably withheld, conditioned or delayed, and all uses must be consistent with the manner of use employed by the Company (e.g., same colors, use of registration symbols). If Company does not approve or disapprove of any such use within ten (10) business days of notice by the LVCVA, the use will be deemed to be approved. Once a particular use of the Company, Team or Ball Park Marks has been approved by the Company, LVCVA need not seek approval for the same or substantially similar uses of such Company, Team or Ball Park Marks. The term of the license granted under this Section 5.3(a) shall commence on the Effective Date and, unless terminated sooner pursuant to the provisions of this Agreement, shall continue until the end of the Term of this Agreement.

(b) License to Use LVCVA Marks. LVCVA hereby grants to the Company a non-exclusive, royalty-free, worldwide license to use the LVCVA Marks in connection with (i) the operation of the Ball Park, (ii) advertisements for, and the promotion of, the Ball Park, the Team and Events and (iii) the creation, development or use of the Company, Team or Ball Park Marks. This license includes, by way of example only, the right (but not the obligation) to use the LVCVA Marks in the following manners:

(i) on structures and other structural components of the Ball Park, on furnishings and equipment used at the Ball Park;

(ii) on signs for the Ball Park, Events and the Team;

(iii) in print, radio, and television advertisements, brochures, web sites, and other media and forms of advertising and promotion, whether now existing or hereafter developed, for the Ball Park, Events and the Team;

(iv) on announcements of the Company and other entities involved with the operation of the Ball Park or Events;

(v) on supplies (*e.g.,* napkins, eating utensils, cups, condiments, packaging, food wrappers, and food trays);

(vi) in Advertising and other publications for the Ball Park, Events, including Event programs, and the Team; and

(vii) on other items, including tickets, used in the operation, promotion, and Advertising of the Ball Park, Events and the Team, alone or in conjunction with the promotion of the Ball Park or the Team.

The term of the license granted under this Section 5.3(b) shall commence on the Effective Date and, unless terminated sooner pursuant to the provisions of this Agreement, shall continue until the end of the Term of this Agreement. Notwithstanding the foregoing grant, the Company reserves the right to use the LVCVA Marks in connection with identifying LVCVA's sponsorship of the Ball Park and in other promotional activities. Company's use of the LVCVA Marks shall not disparage or detract from the Las Vegas destination nor shall Company's use disparage the LVCVA.

(c) License for Promotional Merchandise. LVCVA hereby grants to the Company a non-exclusive, worldwide license to use the LVCVA Marks and reproductions of the appearance of the Ball Park on which the LVCVA Marks may be incidentally visible in connection with the design, manufacture, production, sale, offer for sale, performance, publication, use, distribution, importation, exportation, advertisement, promotion, and display of Promotional Merchandise related to the Ball Park or the Team. The Company may use the LVCVA Marks for such purposes alone or in conjunction with the Company, Team or Ball Park Marks; any other sports team or sports league; any sponsor, organizer, producer, or participant of or in an Event that is scheduled to take place at the Ball Park, or any supplier, vendor, or producer of goods or services, which goods or services are sold or rendered, as the case may be, in connection with the operation of the Ball Park or the provision of any services at the Ball Park; and subject to first obtaining the prior written consent of LVCVA if the LVCVA Marks are to be used with the Marks of third parties, provided, in each case, however, such use is in all respects in accordance with the provisions of this Agreement. The term of the license granted under this Section 5.3(c) shall commence on the effective date of this Agreement and, unless terminated sooner pursuant to the provisions of this Agreement, shall continue until the end of the Term of this Agreement.

(d) Limited License to Use LVCVA Marks in Connection with Photographs and Other Visual Images of the Ball Park. Without limiting the licenses granted in Section 5.3(b) or

Section 5.3(c), LVCVA hereby grants to the Company a limited license to use the LVCVA Marks in connection with reproductions (in any form or medium whatsoever) of the Ball Park, provided that except as specifically permitted by Section 5.3(b) hereof, the limited license granted under this Section 5.3(d) shall not extend to any use of the LVCVA Marks on Promotional Merchandise, which use shall be governed by Section 5.3(c) of this Agreement. The term of the license granted under this Section 5.3(d) shall commence on the effective date of this Agreement and, unless terminated sooner pursuant to the provisions of this Agreement, shall continue until the end of the Term of this Agreement.

(e) No Other Licenses. Except as specifically set forth in this Article 5, neither Party shall use the other Party's Marks without, in each instance, first obtaining the prior written approval of the other Party.

(f) Sublicenses. Either Party may sublicense any of its rights to use the Marks as permitted by Section 5.3(a)-(d) of this Agreement, provided any such sublicense: (A) is subject in all respects to the licenses granted hereunder, (B) automatically terminates upon the termination of the licenses granted hereunder, (C) does not permit the sublicensee to do anything that the sublicensor is prohibited from doing hereunder and does not include any right to further license or sublicense such Marks, (D) explicitly makes the other Party a third party beneficiary of any such sublicense, and (E) contains an express right of quality control in favor of the other Party. Notwithstanding the foregoing provisions of this Section 5.6(f), the Company may allow, permit, or authorize a third party to use one or more LVCVA Marks alone or in connection with the Marks of any sponsor, organizer or producer of an Event, participant in an Event, or any vendor, supplier or producer of goods or services to be used or rendered at the Ball Park, or in connection with an Event at the Ball Park, without a sublicense agreement or obtaining the prior approval of LVCVA, provided such use is limited to use in connection with Advertising and promotional activities for an Event or use at such event for purposes of identifying the Ball Park as the venue of an Event.

(g) Consent to the Use of the LVCVA Marks by Affiliates. LVCVA hereby consents to the Company's sublicense of any or all of its rights under Section 5.3(b)-(d) hereof to the Company's Affiliates, provided each such sublicense complies in all respects with the requirements of Section 5.3(f)(A)-(D) hereof.

(h) Assignment of Licenses. The licenses granted by LVCVA to the Company and the Company to LVCVA hereunder are not assignable or otherwise transferable by either Party, except in connection with an assignment of this Agreement that complies in all respects with the provisions of Section 15.5 hereof.

5.4 Quality, Manner of Use, and Form of Ball Park Marks and LVCVA Marks.

(a) Limitations on Use.

(i) By the Company. The Company recognizes LVCVA's reputation and further recognize LVCVA's desire to maintain that reputation. Therefore, the Company will use the LVCVA Marks only as permitted by this Agreement. Any other use of the LVCVA Marks by the Company must, in advance of such use, be approved in writing by

LVCVA, which approval LVCVA may withhold at its sole and absolute discretion.

(ii) By LVCVA. LVCVA recognizes the Team's reputation as a member club in good standing with the Baseball Authorities, and further recognizes the Team's desire to maintain that reputation. Therefore, LVCVA will use the Company, Team and Ball Park Marks only as permitted by this Agreement. Any other use of the Company, Team or Ball Park Marks must, in advance of such use, be approved in writing by the Company, which approval the Company may withhold at its sole and absolute discretion.

(b) Forms of Marks. The Company and LVCVA will work together to develop mutually acceptable guidelines pursuant to which the Marks must be used by the Company, LVCVA and their permitted sublicensees hereunder (the "**Guidelines**"). Once developed, the Guidelines shall be attached to this Agreement as Exhibit 5.4(b). The Company and LVCVA will use the Ball Park Logos only in these and other mutually agreed forms as may be set out in the Guidelines.

(c) Standards for Promotional Merchandise. The quality standards for Promotional Merchandise that bears the Ball Park Marks will be of the level of quality that is customary for similar Promotional Merchandise offered in connection with comparable sports Ball Parks and entertainment Ball Parks in the United States.

(d) Violations of Standards. If at any time a Party believes that the other Party's use of the licensed Marks fails to conform to the standards set forth in this Article 5, then the complaining Party shall so notify the non-complaining Party, as the case may be, in writing. Upon receipt of such written notification, the non-complaining Party shall promptly cure such failure or violation unless, in attempting to cure such failure or violation, the non-complaining Party reasonably determines that no failure or violation occurred. Should the non-complaining Party fail to cure a failure or violation within thirty (30) days of receipt of a notification under this Section 5.4(d) after having taken commercially reasonable steps to do so, the complaining Party may, in its sole discretion, grant the non-complaining Party, as the case may be, an additional thirty (30) calendar days to cure such failure or violation. Should the non-complaining Party not concur with the complaining Party's belief that the non-complaining Party's use of said Marks fails to conform to the standards set forth in this Article 5, then the complaining Party may invoke the Arbitration Procedure set forth in Section 12.9 of this Agreement.

(e) Use In Connection with Third Party Marks. Notwithstanding the licenses granted in Section 5.3(a)-(d) hereof, neither Party, nor any of its permitted sublicensees, shall use the licensed Marks in such close proximity to the other Party's Mark(s) so as to create a composite Mark (other than the Ball Park Marks).

5.5 Enforcement of Trademark Rights.

(a) Each Party shall use reasonable efforts to police its Marks for unauthorized uses of such Marks by third parties and enforce and defend the Marks from infringement through means that each Party may reasonably determine in its sole discretion, all at each Party's sole expense. Each Party shall immediately notify the other Party of any perceived infringement of its licensed Marks. Each Party

shall have the sole right to determine whether or not any action (legal or otherwise) shall be taken against a third party on account of any infringement or potential infringement, and each Party shall join in such action at the other Party's expense if the other Party so requests. Notwithstanding the foregoing, to the extent the wrongful conduct of a Party gave rise to such infringement or potential infringement, that Party shall bear the costs and expenses, including without limitation attorneys' fees and disbursements, of joining in such action in proportion to the degree of causation of the infringement or potential infringement attributable to that Party's wrongful conduct. The Parties shall share any award of damages net of costs, including, without limitation, attorneys' fees and disbursements, as a result of such actions, in proportion to their respective damages suffered by such infringement.

(b) The Company shall have the right and authority to act, without advance notice to LVCVA, to institute any necessary action or proceedings to seize counterfeit Promotional Merchandise bearing any of the Company, Team, Ball Park or LVCVA Marks. All costs and expenses of such action, including without limitation attorneys' fees and disbursements, shall be borne by the Company. The Company, as applicable, shall notify LVCVA in writing as soon as reasonably practicable after instituting action under this Section 5.5(b).

5.6 Breach and Termination of Licenses.

(a) The Parties acknowledge and agree that any breach of the provisions of this Article 5 by either Party, or any sublicensee of either Party, could result in irreparable injury to the non-breaching Party for which money damages may not be a sufficient remedy. Therefore, in addition to any other remedies that may be available hereunder, such non-breaching Party shall be entitled to bring suit or otherwise institute an action for the limited purpose of obtaining injunctive, temporary, or other preventive equitable relief as a remedy for any breach or threatened breach of the provisions of this Article 5, which breach or threatened breach could reasonably be expected to result in irreparable damage to the non-breaching Party.

(b) Upon termination of this Agreement, the licenses and sublicenses granted hereunder shall immediately terminate, except to the extent necessary to permit the following: (i) the Parties and their sublicensees will have a sufficient period of time, which period will be as long as commercially reasonable, but in no event will be less than sixty (60) days or more than two hundred forty' (240) days, to use, sell, or otherwise dispose of any Promotional Merchandise or other items that bear any of the licensed Marks and which Promotional Merchandise or items are in inventory, on-hand, in transit, in process, or are subject to a contract for manufacture or use that cannot be canceled immediately without damages or penalty'; and (ii) the Parties and their sublicensees will have a sufficient period of time, which period will be as long as commercially reasonable, but in no event less than sixty (60) days nor longer than two hundred forty (240) days, to allow the Ball Park and LVCVA Marks to be removed from the Ball Park and to make any physical changes or repairs to the Ball Park necessitated by the removal of the Ball Park and LVCVA Marks. The actual cost to remove the Ball Park and LVCVA Marks from the Ball Park shall be borne by the Company, unless this Agreement is terminated by the Company due to a Default by LVCVA, in which case the costs shall be borne by LVCVA. In the event of a termination for Default by LVCVA, the Company shall provide LVCVA with a good faith estimate of the cost of removing the Ball Park and LVCVA Marks and making any other necessary changes and repairs to the Ball Park within thirty (30) days of the date of such termination of this Agreement. Such estimate shall be provided by the Company to LVCVA in accordance with the notice provisions of Section 15.4 hereof. Notwithstanding the foregoing

obligations set forth in this Section 5.6(b), however, the Company shall retain the right to use the Ball Park Marks and any Ball Park Logos after the termination or expiration of the Term.

6. SPONSORSHIP FEE, TAXES, AND INTEREST ON LATE PAYMENTS; TERM.

6.1 Sponsorship Fee. In exchange for the Sponsorship Rights and other benefits to be provided to LVCVA hereunder during the Term of this Agreement, LVCVA shall pay an annual fee (the "**Sponsorship Fee**") to the Company during each year of the Term. The Sponsorship Fee will be FOUR MILLION AND 00/100 DOLLARS ($4,000,000.00) per Contract Year over the Term of the Agreement. The Sponsorship Fee shall be payable, after Company submits an invoice to the LVCVA in equal one million dollar ($1,000,000) payments on or before April 1st, May 1st, August 1st and September 1st of each Contract Year. Other than the obligations specifically set forth herein, the LVCVA shall not be required to make any payment or pay any cost or expense in furtherance of this Agreement or related to the games played at the Ball Park. Sponsorship fees shall constitute an operating and maintenance expense of LVCVA after the LVCVA's bond obligations and duties.

6.2 Suite. During the Term of this Agreement and annually, LVCVA shall be permitted to use, and shall receive admission tickets to access, a suite at the Ball Park (the "**LVCVA Suite**"), as well as six (6) parking passes in the area designated by the Company for suiteholder parking and one hundred (100) tickets, for all Events held at the Ball Park during the Term; provided, however, that, if LVCVA notifies the Company that it will not be using the Suite or any of the tickets for any Event, the Company shall be entitled to use or rent the LVCVA Suite and/or sell these tickets for such Event and retain the proceeds (if any) derived from such use, rental or sale. The Location of the LVCVA Suite shall be mutually agreed by the Parties and shall be a permanent location that may be decorated and branded by the LVCVA in its discretion. The location of the suite may be changed by mutual agreement of the Parties after five (5) years. The Company shall install permanent Signage designating the suite as the LVCVA suite.

6.3 Taxes. Company shall be liable for all taxes on the Sponsorship Fee or related to this Agreement in any manner.

6.4 Interest on Late Payments. Any payment required to be made under this Agreement that is not paid within thirty (30) business days from the date such payment becomes due and owing shall bear interest at an annual rate of eighteen percent (18%) per annum from the due date to the date payment is actually made. The right of a Party to receive interest under this Section 6.4 shall be in addition to all other rights it may have as a result of the other Party's failure to make payments when due.

6.5 Term. The Term of this Agreement shall commence as of the Effective Date and, unless sooner terminated according to the procedures set forth in Section 12.2 or Section 12.4, shall terminate on the twentieth (20th) anniversary of the Effective Date.

6.6 Maintenance and Operation of Ball Park. The Company shall, at all times during the Term, maintain and operate the Ball Park in a manner consistent with the standards of quality that are customary in the U.S. for first class Triple A ball parks of a similar age.

7. COVENANTS OF THE COMPANY AND LVCVA.

7.1 Maintenance and Operation of Ball Park. The Company shall, at all times during the Term, maintain and operate the Ball Park in a manner consistent with the standards of quality that are customary for comparable PCL (or successor organization)stadiums or ball parks. The Company covenants that it will not voluntarily file for bankruptcy.

7.2 Signage. Subject to the terms of this Agreement, the Company shall not permit any of LVCVA'S signage provided for in this Agreement to be altered, distorted, obstructed or covered during the Term. The Company shall prevent any broadcaster subject to its direct control of any the Company home games or Events from using any pattern recognition or other technology (i.e., technology to electronically insert display material into a telecast feed) to alter, distort or block out any LVCVA'S signage during a broadcast during the Term.

7.3 LVCVA Cooperation. LVCVA agrees to cooperate with the Company in the event that the Company seeks to obtain financing for the construction of the Ball Park. Any such cooperation shall not include material changes to the benefits and duties of the Parties set forth in this Agreement.

8. INDEMNIFICATION.

8.1 LVCVA's Indemnity of the Company. In addition to any other indemnification obligations set forth in this Agreement, LVCVA agrees to defend, indemnify, and hold harmless the Company and its Affiliates, together with each of their respective officers, directors, partners, principals, agents, employees, permitted sublicensees under this Agreement, and other representatives (the "**Company Indemnified Parties**"), from and against any and all losses, liabilities, costs, expenses, damages (whether direct or indirect), claims, demands, actions, suits, judgments, and other obligations, including attorneys' fees and court costs (collectively, the "**Claims**"), arising from or as a result of: (i) LVCVA's breach of any of its representations, warranties, or obligations under this Agreement; or (ii) any third party claim that a licensed use of the LVCVA Marks by the Company or any permitted sublicensee, pursuant to the provisions of this Agreement, infringes upon any rights of such third party, provided that to qualify for indemnification under this Section 8.1 (ii), the Claim must not arise as a result of the failure of the Company or the permitted sublicensee, as the case may be, to comply with the terms of this Agreement concerning the use of such Marks. LVCVA's indemnification obligations under this Section 8.1 shall not be applicable with respect to any Claim to the extent such Claim occurs as a direct or proximate result of any negligent or grossly negligent act or omission of the Company and/or the person or entity seeking to be indemnified under this Section 8.1 (or any party acting with the authority, permission or consent of such parties) or any willful misconduct of the Company and/or the person or entity seeking to be indemnified under this Section 8.1 (or any party acting with the authority, permission or consent of such parties).

8.2 The Company's Indemnity of LVCVA. In addition to any other indemnification obligations as set forth in this Agreement, the Company agrees to defend, indemnify, and hold harmless LVCVA and its Affiliates, together with each of their respective officers, directors, partners, principals, agents, employees, and other representatives (the "**LVCVA Indemnified Parties**"), from and against any and all Claims arising from or as a result of: (i) the Company's breach of any of its representations, warranties, or obligations under this Agreement, (ii) any injury to or death of persons or any loss of or damage to property in any manner occurring as a direct or proximate result of any

act or omission of the Company in connection with the subject matter of this Agreement; (iii) any third party claim occurring as a direct or proximate result of any act or omission of the Company in connection with operation of and/or the management of the Ball Park, or (iv) any third party claim that a licensed use of the Team Marks and Ball Park by LVCVA or any permitted sublicensee, pursuant to the provisions of this Agreement, infringes upon any rights of such third party, provided that to qualify for indemnification under this Section 8.2(iv) the Claim must not arise as a result of the failure of LVCVA or the permitted sublicensee, as the case may be, to comply with the terms of this Agreement concerning the use of such Marks. The indemnification obligations under this Section 8.2 shall not be applicable with respect to any Claim to the extent such Claim occurs as a direct or proximate result of any negligent or grossly negligent act or omission of LVCVA and/or the person or entity seeking to be indemnified under this Section 8.2 (or any party acting with the authority, permission or consent of such parties) or any willful misconduct of LVCVA and/or the person or entity seeking to be indemnified under this Section 8.2 (or any party acting with the authority, permission or consent of such parties).

8.3 Notice of Claims. Any Party seeking to be indemnified under this Article 8 shall give the other Party from which indemnification is sought reasonable written notice of any claim or suit coming within the purview of the indemnities set forth in this Article 8. The indemnifying Party will assume the defense of any claim, demand, or action against an indemnified party and will, upon the request and at the expense of the indemnified party, allow such indemnified party to participate in the defense thereof. An indemnified party shall cooperate fully with the indemnifying Party in the defense and will provide, at the indemnifying Party's expense, all relevant documents, witnesses, and other- assistance within its possession or control upon the reasonable request of the indemnifying Party. An indemnified party shall not take any action that could materially interfere with, jeopardize, or adversely affect any defense against an indemnified claim hereunder. An indemnifying Party may not settle an indemnified claim, demand, or action without the prior written consent of the indemnified party (which consent shall not be unreasonably withheld). Settlement of an indemnified claim, demand, or action by an indemnified party without the prior written consent of the indemnifying Party (which consent shall not be unreasonably withheld) shall serve to release the indemnifying Party from any liability for such settled claim, demand, or action. It shall not be unreasonable for an indemnifying Party to withhold consent from a proposed settlement if the settlement contains any admission of liability on the part of the indemnifying Party, provides for any remedy that is to be satisfied by the indemnifying Party other than the payment of cash or, in the reasonable judgment of the indemnifying Party, creates a precedent that is likely to have a material adverse effect on the indemnifying Party as a result of similar or related causes of action that are pending or threatened. It shall not be unreasonable for an indemnified party to withhold consent from a proposed settlement if the settlement contains any admission of liability on the part of the indemnified party, provides for any remedy that is to be satisfied by the indemnified party other than the payment of cash that the indemnifying Party is prepared to and able to pay, or, in the reasonable judgment of the indemnified party, creates a precedent that is likely to have a material adverse effect on the indemnified party as a result of similar or related causes of action that are pending or threatened.

8.4 Survival. Notwithstanding anything to the contrary set forth herein, the indemnification obligations under this Article 8 shall survive the termination or expiration of this Agreement for any reason and are solely for the benefit of the Parties specifically indemnified hereunder and shall not be deemed to benefit any other person or entity.

8.5 Limit on Indemnity. Notwithstanding anything to the contrary set forth herein, indemnification under this Article 8 shall not be available with respect to any matter that has been resolved by the Arbitration Procedure set forth in Section 12.9 herein, except to the extent such indemnification is or was awarded in such Arbitration Procedure.

9. INSURANCE.

9.1 Coverage to be Provided by the Company. During the Term of this Agreement, the Company shall, at no cost to LVCVA, maintain (or cause to be maintained) the following insurance coverage with insurers having a "Best's" rating of A- VIII or better: commercial general liability insurance, including coverage for bodily injury, property damage, personal and advertising injury (including trademark infringement for advertising), products/completed operations and contractual liability with a minimum amount of three million US Dollars ($3,000,000.00 USD) each occurrence. The insurance coverage shall also include an endorsement naming LVCVA, and its directors, officers, employees and agents, as additional insureds. The Company shall furnish LVCVA with a certificate of insurance evidencing such insurance coverage, which shall further contain a provision that the policy or policies evidenced thereby shall not be canceled or modified without thirty (30) days advance written notice to LVCVA.

10. NO AGENCY FEES OR COMMISSIONS; COSTS OF NEGOTIATION.

10.1 No Fees. Each Party represents and warrants that it shall be responsible for any agency or finder fee, commission, or other similar or comparable payment due as a result of the execution or performance of this Agreement or the transactions contemplated hereunder. Consequently, each Party hereby agrees to indemnify the other Party and to hold the other Party harmless from and against any and all claims, demands, or obligations with respect to the payment of any agency or finder fee, commission, or other similar or comparable payments in connection with the subject matter of this Agreement which fee, commission, or payment results or arises from the acts of the indemnifying Party with regard to its own employees and consultants.

10.2 Costs of Negotiation. Except as otherwise expressly set forth herein, each Party shall bear its own costs associated with the preparation, negotiation, and execution of this Agreement and the transactions contemplated hereunder.

11. SUBSERVIENCE. Notwithstanding any other provision of this Agreement:

11.1 Rules and Regulations of the Baseball Authorities. The Parties hereby acknowledge and agree that all rights granted under this Agreement are expressly subject to, and must conform with, all baseball rules and regulations, including, without limitation: (1) all rules, regulations, the Constitution and Bylaws of the PCL; (2) all rules and regulations of the National Association of Professional Baseball Leagues, Inc. d/b/a Minor League Baseball, including the National Association Agreement; (3) the Professional Baseball Agreement; (4) the Major League Rules; and (5) any rule, regulation, restriction, guideline, resolution or other requirement issued from time to time by any baseball authority (e.g., the League President, the NAPBL President, the NAPBL Board of Trustees or the Commissioner of Baseball) including the NAPBL Gambling Guidelines. The Parties also acknowledge that all naming rights agreements are required to be submitted to the Baseball Authorities for approval as a Regulated Transaction (an "**RT**"), and the Company agrees that it shall cause to complete and submit the necessary applications to the applicable Baseball Authorities in order to seek

approval of such RT. This Agreement is conditioned upon receipt of all necessary approvals and any changes or amendments are subject to such approvals. The Company represents and warrants that this Agreement currently complies with the rules and regulations set forth in this Section 11.1.

11.2 Other Statutes. Ordinances, Etc,. This Agreement and the rights conferred herein are subject to the statutes and regulations of the State of Nevada, and the ordinances and rules of the City of Las Vegas, Nevada, as they presently exist or as they may from time-to-time be amended (the "**Public Laws**").

11.3 Remedies. Notwithstanding anything to the contrary contained in Section 11.1 and Section 11.2, if any future change to the rules and regulations of the Baseball Authorities or the Public Laws restricts, infringes or limits any of the rights of LVCVA under this Agreement in any material way, then the Company and LVCVA shall negotiate in good faith to create substitute rights of substantially equivalent value for any such restricted or limited rights. If the Company and LVCVA have not reached agreement as to such substitute rights within thirty (30) days after LVCVA submits a proposal to the Company with respect thereto, then LVCVA shall have the right to submit the issue to the Arbitration Procedure as provided in Section 12.9 and seek any and all appropriate remedies.

12. DEFAULT, FEE REDUCTION, AND TERMINATION.

12.1 LVCVA Defaults. Each of the following shall constitute a "**LVCVA Default**".

(a) If LVCVA fails to make any payment hereunder when such payment is due and owing, but only if such failure is not cured within five (5) days after the payment is due; or

(b) If LVCVA or its Affiliates breaches any of its other material obligations, covenants, representations, or warranties hereunder, but only if (i) such breach is not capable of being cured, (ii) such breach is capable of being cured, but LVCVA does not institute commercially reasonable efforts to cure such breach within ten (10) days after the Company notifies LVCVA in writing of such breach in accordance with the provisions of Section 15.4 hereof, or (iii) such breach is capable of being cured and LVCVA institutes commercially reasonable efforts to cure it within sixty (60) days after the Company notifies LVCVA in writing of such breach in accordance with the provisions of Section 15.4 hereof, but such breach is not cured within ninety (90) days after the date such notice was given (or such longer period of time (not to exceed one hundred eighty (180) days) as is reasonably necessary to cure such default provided LVCVA is diligently attempting to cure such default); or

(c) If LVCVA or its Affiliates makes an assignment for the benefit of its creditors, or if a trustee, receiver, or similar officer of any court is appointed for LVCVA or for a substantial part of its property or assets, whether with or without its consent, or if an action for bankruptcy, composition, reorganization, insolvency, or liquidation proceedings is or are instituted by or against LVCVA and such action or proceedings are not dismissed within sixty (60) days from the date of the institution thereof.

12.2 Remedies for LVCVA Defaults. In the case of an LVCVA Default, the Company shall have the right, in its sole and absolute discretion, to seek damages and other remedies (but specifically excluding termination of this Agreement) from LVCVA pursuant to the Negotiated Resolution Process set forth in Section 12.8 and the Arbitration Process set forth in Section 12.9. The Company's

seeking of damages and other remedies shall not affect LVCVA's liability for, or obligation to pay, in fulll and in accordance with this Agreement, the Sponsorship Fee for the entire Term of this Agreement or LVCVA's liability for any other amounts payable by LVCVA under this Agreement. Notwithstanding the prohibition on termination of this Agreement set forth in this Section 12.2, in the event that LVCVA fails to make the Sponsorship Fee payments due for any eight (8) payment dates and fails to cure such non-payment defaults, then the Company shall have the right to enter into an agreement with a replacement naming rights sponsor, provided that LVCVA shall remain liable for all Sponsorship Fees and other payments due hereunder through the end of the Term, less any sponsorship fee payments actually received by the Company from a replacement naming rights sponsor.

12.3 The Company Defaults. Each of the following shall constitute a "**Company Default**:"

(a) If the Company breaches any of its material obligations, covenants, representations, or warranties hereunder but only if (i) such breach is not capable of being cured, (ii) such breach is capable of being cured, but the Company does not institute material and substantial efforts to cure such breach within ten (10) days after LVCVA notifies the Company in writing of such breach in accordance with the provisions of Section 15.4 hereof, or (iii) such breach is capable of being cured and the Company institutes material and substantial efforts to cure it within sixty (60) days after LVCVA notifies the Company in writing of such breach in accordance with the provisions of Section 15.4 hereof, but such breach is not cured within ninety (90) days of the date such notice was given (or such longer period of time, not to exceed one hundred eighty (180) days) as is reasonably necessary to cure such default, provided the Company is diligently attempting to cure such default; or

(b) If the Company makes an assignment for the benefit of its creditors, or if a trustee, receiver, or similar officer of any court is appointed for the Company or for a substantial part of its property or assets, whether with or without its consent, or if an action for bankruptcy, composition, reorganization, insolvency, or liquidation proceedings is or are instituted by or against the Company and such action or proceedings are not dismissed within sixty (60) days from the date of the institution thereof.

12.4 Remedies for the Company Defaults. In the case of a Company Default, LVCVA shall have the right, in its sole and absolute discretion, to seek damages and other remedies (but specifically excluding termination of this Agreement) from the Company pursuant to the Negotiated Resolution Process set forth in Section 12.8 and the Arbitration Process set forth in Section 12.9. LVCVA's seeking of damages and other remedies shall not affect the Company's duty to carry out its obligations hereunder during the Term of this Agreement. In the event that LVCVA obtains a judgment or other monetary award in connection with a Company Default, (i) LVCVA agrees that the amount of the damages or monetary award shall not be used as an offset against the Sponsorship Fees due hereunder, and (ii) the Parties shall negotiate in good faith (but shall not be required to agree) on the provision of make-good benefits to be provided to LVCVA up to the value of the judgment or award due to LVCVA.

12.5 Damage or Destruction to Facility; Force Majeure Events; Cancellation Accommodation. If during the Term (i) there shall be damage or destruction to, or other limitations on the use of, the Ball Park including by reason of a Force Majeure Event or (ii) major reconstruction or renovation of the Ball Park becomes necessary, in the Company's judgment, for safety reasons, to

maintain the standards of quality at the Ball Park, or to upgrade the Ball Park to take advantage of potential opportunities, and in any of these cases, the Team's home games are not played or are played at a facility other than the Ball Park or at least one hundred (100) Events (including Team home games) are not held at the Ball Park, in each case, during any Contract Year (the "**Relocated Games or Events**") (the occurrence of which shall not constitute a breach or event of default hereunder), then the Company shall decide whether or not to rebuild or renovate the Ball Park within 12 months from the occurrence of damage or destruction (if any), and:

(a) In the event that there are twenty (20) or fewer Relocated Games in a Season, there shall be no adjustment to the Sponsorship Fee for the relevant Year; or

(b) In the event that there are more than twenty (20) Relocated Games in a Season or less than one hundred (100) Events, then LVCVA shall receive a credit equal to the value of the Sponsorship Fee for the period impacted, which shall calculated by taking (i) the Sponsorship Fee for the affected Contract Year multiplied by (ii) a fraction, the numerator of which is the number of Events actually held at the Stadium in the affected Contract Year and the denominator of which is 100 (the "**Casualty Adjustment**").

(c) The Parties agree to discuss in good faith, but are not required to agree, on the provision of make-good benefits to be provided to LVCVA up to a value of the Casualty Adjustment.

12.6 Payments for De-Identification. Upon any termination of this Agreement obtained as a result of any LVCVA Default, LVCVA shall be obligated to pay all reasonable and necessary costs and other expenses actually incurred by the Company in connection with the removal of the LVCVA Marks and the Ball Park Marks from the Ball Park and all other items on which the LVCVA Marks and Ball Park Marks are present. In the event this Agreement is terminated for any other reason or should the Term of this Agreement expire, then the Company shall be obligated to pay all costs, losses, and expenses actually incurred by the Company in connection with the removal of the LVCVA Marks and the Ball Park Marks from the Ball Park and all other items on which the Ball Park Marks and LVCVA Marks are present and in connection with the Company's compliance with Section 5.6(b).

12.7 Limitation of Damages. Neither Party shall be liable for any indirect, incidental, special, consequential, exemplary or punitive damages of the other Party as a result of any breach of this Agreement. Notwithstanding the foregoing, nothing in this Section 12.7 shall have any effect on a Party's indemnification obligations hereunder to the extent such indemnification obligations arise out of or in connection with third party claims for damages, including indirect, incidental, special, consequential, exemplary or punitive damages.

12.8 Negotiated Resolution Process. In the event of a dispute between the Parties regarding this Agreement, except as provided in Section 12.4, the Parties agree to follow the Negotiated Resolution Process described in this Section 12.8 prior to filing a claim for arbitration pursuant to Section 12.9. The Parties will exercise commercially reasonable, good faith efforts to resolve disputes throughout this Negotiated Resolution Process, and, in response to the other's requests, will meet as often as necessary and provide the other with non-confidential information reasonably related to the dispute.

(a) Procedure.

(i) A dispute under this Agreement will be initially referred to a designated employee for each of the Company and LVCVA (the "**Executives**"). The Executives will endeavor to resolve the dispute between themselves and without rancor, each bearing any expense they may incur.

(ii) If the Executives are unable to resolve the dispute promptly, but no more than twenty (20) business days after the complaining Party first notified the non-complaining Party in writing of the dispute, the Executives will each refer such dispute to a mediation service acceptable to both Parties, for up to six (6) hours of mediation (unless the Parties agree to more). The cost of the mediator will be split by the parties.

(iii) In the event the dispute is not resolved with mediation, then either Party may elect to pursue its available remedies, including arbitration pursuant to Section 12.9.

(iv) The Parties acknowledge and agree that the Executives shall have the authority to collectively deviate from the procedure outlined in this Section 12.8(a) if they determine, in their reasonable discretion, that such deviation is reasonably likely to lead to a resolution of this matter.

(v) Depending on the subject matter of the issues to be considered under the Negotiated Resolution Process, the Parties shall consider as possible outcomes (i) an appropriate modification of this Agreement that maintains the balance of the commercial interests of the Parties hereunder, which may include replacing the benefits lost, (ii) an appropriate reduction or increase of the Sponsorship Fee that reflects the corresponding reduction or increase in benefits, (iii) appropriate monetary damages, (iv) appropriate equitable remedies, and/or (v) any combination of the foregoing.

(b) Unspecified Options. If the options following the unsuccessful conclusion of the Negotiated Settlement Process are not otherwise specified in this Agreement, then an aggrieved Party shall have the right, in its sole and absolute discretion, to invoke the Arbitration Procedure described in Section 12.9.

12.9 Arbitration Procedure. Except for any claim relating to the ownership or validity of the LVCVA Marks, the Team Marks, and/or the Ball Park Marks, or any other intellectual property owned by the Company or LVCVA or as set forth in Section 12.4, in the event that a remedy described in this Agreement calls for use of the Arbitration Procedure, or if no procedural remedy is set forth in this Agreement, and provided that the Parties have first availed themselves of the Negotiated Resolution Process set forth in Section 12.8, then the Parties agree to use the following Arbitration Procedure. The Parties agree that this Arbitration Procedure shall be final and binding. The Parties

shall not resort to litigation, except to obtain injunctive relief, to prosecute an alleged infringement of one or more of the aforementioned Marks, or to enforce an award under this Section 12.9.

(a) Commercial Arbitration Rules. Arbitration shall be conducted in accordance with the American Arbitration Association (the "**AAA**") Commercial Arbitration Rules and Mediation Procedures (the "**AAA Rules**") then in effect, which AAA Rules shall be subject to the provisions of this Agreement, which shall control. Unless the Parties agree in writing otherwise, the Arbitration shall be conducted before a single impartial arbitrator with a minimum of ten (10) years' experience in the resolution of complex commercial disputes.

(b) Timing. The Arbitration shall take place within the three (3) months following the Arbitration Notice. The Arbitration hearing shall be continuous, subject to weekends, holidays, or other days to be mutually agreed upon by the Parties or designated by the arbitrator, and the total days of the arbitration hearing shall not exceed five (5) hearing days per Party, unless otherwise agreed in writing by the Parties. A written and complete record that includes all hearings and all evidence (including testimony, exhibits, deposition transcripts, affidavits, etc.) admitted into evidence in the Arbitration proceeding shall be made and provided for any appeal pursuant to Section 12.9(g).

(c) Conflicts. To the extent that any AAA Rule is in conflict with the provisions of the Federal Arbitration Act (as to a federal question) or the applicable Nevada Civil Practice and Remedies Codes governing arbitration (the "**Nevada Arbitration Act**") (as to a state law question), such provisions in the Federal Arbitration Act and/or the Nevada Arbitration Act, as applicable, shall control.

(d) Discovery. The parameters for discovery shall be as determined by the arbitrator, with the understanding that it is the intent of the Parties to have some form of limited discovery, unless otherwise agreed.

(e) Basis for Decision. The decision rendered by the arbitrator (the "**Arbitration Award**") shall be based on the evidence introduced at the Arbitration hearing, including all logical and reasonable inferences therefrom, and shall determine the rights and obligations of the Parties according to the terms of this Agreement and the substantive laws of Nevada or federal law, whichever is applicable, without regard to conflicts of law rules; *provided, however,* to the extent that any other section of this Agreement provides for a specific or exclusive remedy or relief, or excludes a specific remedy or relief, the remedy or relief provided in such Arbitration Award must be consistent with such specific or exclusive remedy or relief, or such exclusion.

(f) Rendering of Decision. The arbitrator shall render the Arbitration Award not later than thirty (30) days after the conclusion of the Arbitration hearing. The Arbitration Award shall be reasoned and in writing and shall include written findings of fact and conclusions of law upon which such Arbitration Award is based. The submission of post-hearing legal briefs by the Parties shall be subject to the discretion of the arbitrator, but in no event shall such briefs delay the arbitrator's rendering of the Arbitration Award.

(g) Finality. The Arbitration Award shall be final and binding on the Parties. An appeal regarding the Arbitration Award may be granted only if the Arbitration Award is found to violate the standards set forth in the Federal Arbitration Act. An appeal shall be brought through AAA in accordance with the AAA Optional Appellate Arbitration Rules (the "**Appeal**"). The AAA

Appellate Panel or any other Panel hearing an Appeal (the "**Panel**") shall be comprised of three (3) former federal court judges.

(h) Expenses. All expenses, fees and administrative costs of the arbitrator and the Arbitration shall be borne half by LVCVA and half by the Company, unless agreed otherwise in writing; provided, however, each Party shall pay its own legal fees and expenses related to its expert witnesses and consultants.

(i) Expenses on Appeal. All expenses, fees and administrative costs of the Panel and any Appeal shall be borne by the Party who first initiates such Appeal in the event such Party is ultimately determined not to be the prevailing party (as determined by the Panel) in such Appeal, unless agreed otherwise in writing; provided, however, each Party shall pay its own legal fees and expenses related to its expert witnesses and consultants.

12.10 Termination of Agreement. This Agreement may be terminated by LVCVA, without liability, only if the Team or rights to play Triple A baseball are (i) terminated (for any reason) or (ii) conveyed to any person or entity that is not going to play Triple A baseball at the Ball Park. Nothing in this Section 12.10 shall prohibit the Parties from meeting to discuss appropriate modifications to this Agreement, including changes to the amount of the Sponsorship Fee, in lieu of termination.

12.11 No Rights of Set Off. Without limiting LVCVA's rights under Section 12.10 of this Agreement, notwithstanding any provision of this Agreement to the contrary, under no circumstances, shall either Party have any rights to offset, reduce or withhold payment of any amount payable hereunder by such Party and all amounts due hereunder shall be paid timely and in full.

13. SPECIAL PROVISIONS.

13.1 Consequences if Other Agreements Violated. Should this Agreement or any provision hereof violate any applicable statute, law, ordinance, Baseball Authority rule or other governmental rule or regulation, as any of the above may be amended, or adopted from time to time, as the case may be, then at the written request of either Party, the Parties shall use the Negotiated Resolution Process of Section 12.8 to negotiate a modification to this Agreement to the extent reasonably necessary to bring about compliance with such statute, law, ordinance, or governmental rule or regulation, as the case may be, provided, however, if, in the reasonable opinion of either Party, any such proposed modification would affect the commercial basis of this Agreement, such Party shall so inform the other Party and the Parties shall then use the Negotiated Resolution Process of Section 13.8 to attempt to negotiate (A) an appropriate re-modification of this Agreement that maintains the balance of the commercial interests of the Parties hereunder, which may include replacing the benefits lost as a result of such proposed modification, (B) an appropriate reduction of the Sponsorship Fee that reflects the reduction in benefits caused by such proposed modification, (C) appropriate monetary damages, (D) appropriate equitable remedies, or (E) any combination of the foregoing. If the Parties cannot reach such agreement within sixty (60) days after a Party's written request for the second meeting permitted by this Section 13.1, then either Party shall have the right, in its sole and absolute discretion, to invoke the Arbitration Procedure and to enforce any remedies awarded in such arbitration procedure. The Parties agree that the remedies provided in this Section 13.1 are the sole and exclusive remedies for events of the type described in this Section 13.1.

14. REPRESENTATIONS AND WARRANTIES.

14.1 Representations and Warranties of LVCVA. LVCVA represents and warrants to the Company the following:

(a) LVCVA in good standing under the laws of the State of Nevada and is duly authorized to transact business in the State of Nevada with full power and authority to enter into and fully perform its obligations under this Agreement. The execution and delivery of this Agreement on behalf of LVCVA has been duly authorized by LVCVA and, assuming due execution by the Company, this Agreement constitutes a valid, binding, and enforceable obligation of LVCVA.

(b) Neither this Agreement nor anything required to be done hereunder by LVCVA violates any charter, contract, or other document to which LVCVA is a party or by which it is otherwise bound.

(c) LVCVA is the sole owner of all right, title and interest in and to the LVCVA Marks (and all registrations and applications for registration thereof) that are licensed hereunder.

(d) The use of the LVCVA Marks in accordance with the licenses set forth in this Agreement will not infringe, solely by reason of such use, (i) any Mark of any third party, (ii) any third party copyright, or (iii) the right of publicity of any third party.

(e) LVCVA has full right, power and authority to grant to the Company the rights granted under this Agreement and to undertake all obligations of LVCVA hereunder.

(f) There is no litigation pending nor is any litigation threatened against LVCVA or any Affiliate relative to any of the matters which are the subject of this Agreement or which is reasonably likely to impact on LVCVA's ability to perform hereunder.

14.2 Representations and Warranties of the Company. The Company represents and warrants to LVCVA the following:

(a) The Company is a limited liability company in good standing under the laws of the State of Delaware and is duly authorized to transact business in the State of Nevada, with full power and authority to enter into and fully perform its obligations on behalf of the Company under this Agreement. The execution and delivery of this Agreement on behalf of the Company has been duly authorized, and no consent or approval of any other person or entity is required for execution of and performance by the Company of this Agreement, except any approval required by law. The Company and any applicable Affiliates have granted to the Company any and all rights necessary to enter into, and perform the obligations of, the Company under this Agreement. Assuming due execution by LVCVA, this Agreement constitutes a valid, binding, and enforceable obligation of the Company.

(b) Neither this Agreement nor anything required to be done hereunder by the Company violates or shall violate any partnership agreement, contract, or other document to which the Company is a party or by which the Company is otherwise bound.

(c) The Company is not a party to any existing agreement regarding the naming of the Ball Park, or a party to any existing agreement regarding the sponsorship or promotion of or

advertising relating to the Ball Park or the Company, which other agreement would conflict with the provisions of this Agreement or otherwise impair any of the rights or other benefits LVCVA is entitled to receive hereunder.

(d) Neither the Company nor any Affiliate has granted any rights pertaining to the subject matter of this Agreement to any party in a manner which would cause the Company to be in default under any such agreement or which prevents the Company from granting the rights and licenses to LVCVA under this Agreement.

(e) There is no litigation pending nor is any litigation threatened against the Company or any Affiliate relative to any of the matters which are the subject of this Agreement or which is reasonably likely to impact the Company's ability to perform hereunder.

(f) The Company has the authority and ability to enter into this Agreement and to provide (or cause to be provided) to LVCVA all of rights set forth in this Agreement.

(g) The Company and its Affiliates are the only entities with authority to grant sponsorship, promotional and Advertising rights at the Ball Park.

(h) The Company shall obtain all necessary approvals of the Baseball Authorities that may be required in connection with (i) the design and construction of the Ball Park, (ii) this Agreement and (iii) any matter covered by, or related to, this Agreement.

(i) The Company and Team have agreed to enter into a lease agreement whereby the Team will agree to provide to LVCVA those Sponsorship Rights that are under the control of the Team.

15. MISCELLANEOUS PROVISIONS.

15.1 Non-Waiver. Except as expressly set forth herein, neither the failure nor the delay on the part of either Party to exercise any right, remedy, power, or privilege under this Agreement will operate as a waiver thereof, nor will any single or partial exercise of any such right, remedy, power, or privilege preclude any other or further exercise of the same or any other right, remedy, power, or privilege, nor will a waiver of any right, remedy, power, or privilege with respect to any occurrence be construed as a waiver with respect to any other occurrence. No waiver will be effective unless it is in writing and signed by the Party granting such waiver.

15.2 Governing Law and Venue.

(a) Governing Law. This Agreement will be governed by and construed in accordance with the laws of the State of Nevada.

(b) Venue. To the extent it becomes necessary to resort or respond to court proceedings to enforce any award rendered in arbitration hereunder, or to seek injunctive or similar relief, such proceedings will be brought in the Eighth Judicial District Court for Clark County, Nevada, and each Party irrevocably submits to the nonexclusive jurisdiction thereof; provided, however, that the venue restriction set forth in this Section 15.2 shall not apply to actions related to the ownership or validity of the Team Marks, LVCVA Marks, the Ball Park Marks or any other intellectual property owned by the Company or LVCVA.

15.3 Provisions Severable. If any one or more of the words, phrases, sentences, clauses, sections, or subsections contained in this Agreement shall be held to be invalid or unenforceable by an arbitration proceeding, or subject to the provisions of Section 15.3 hereof, by a court of competent jurisdiction, such invalidity or unenforceability shall attach only to such words, phrases, sentences, clauses, sections, or subsections, and shall not in any way affect or render invalid or unenforceable any other provision of this Agreement, and this Agreement shall be carried out as if such invalid or unenforceable word, phrase, sentence, clause, section, or subsection was not contained herein. In addition, there shall automatically be added to this Agreement such words, phrases, sentences, clauses, sections, or subsections as are as comparable as possible as the words, phrases, sentences, clauses, sections, or subsections that are to be treated as not being contained herein.

15.4 Notices. Any notice, request, demand, waiver, consent, approval, or other communication required or permitted by this Agreement shall be in writing and shall be deemed to have been given when personally delivered or sent by facsimile (with confirmation of transmission), one (1) day after being sent via overnight delivery (with appropriate confirmation of delivery), or three (3) days after being sent via registered or certified mail, return receipt requested, postage prepaid, addressed as set forth below:

If to LVCVA:	Las Vegas Convention and Visitors Authority 3150 Paradise Road Las Vegas, NV 89109 Attention: Contracts Administration
with a copy to:	Las Vegas Convention and Visitors Authority Attention: Legal Counsel 3150 Paradise Road Las Vegas, Nevada 89109
If to the Company:	Clark County Las Vegas Stadium LLC 10801 W. Charleston Blvd. Third Floor Las Vegas, Nevada 89135 Attention: Kevin Orrock Email:
with a copy to:	The Howard Hughes Corporation One Galleria Tower 13355 Noel Road, 22nd Floor Dallas, Texas 75240 Attention: Peter F. Riley Email:

or to such other address as a Party may specify in a written notice duly given to the other Parties hereto.

15.5 Binding Effect: Assignment: Granting of Security Interests. This Agreement, and each and every provision contained herein, shall be binding upon, shall inure to the benefit of, and shall be

enforceable by and against the Parties and each of their respective successors, successors in interest, and permitted assigns. This Agreement and the rights and obligations of any of the Parties hereto may not be assigned except as hereinafter provided.

(a) The Company may unilaterally assign its rights and obligations under this Agreement (in whole, but not in part) to: (i) any Affiliate that is wholly-owned (directly or indirectly) by the Company, (ii) one (1) or more entities formed and wholly owned (directly or indirectly) by the Company, or (iii) any successor or assign of the Company; provided, (A) the assignee has the authority and legal ability to and specifically assumes and agrees to fully perform all of the obligations of the Company under this Agreement, (B) the assignee can demonstrate sufficient capital, or LVCVA is provided with a written guarantee in favor of the assignee from a person who can demonstrate sufficient capital, to enable the assignee to fully perform all of the obligations of the Company under this Agreement for the remaining Term, (C) such assignment and assumption, to the extent required, is approved by the Baseball Authorities, (D) the Company and the assignee execute and deliver to LVCVA such assignments, assumptions, and other documents as LVCVA may reasonably request to evidence such transactions and the assumption of the liabilities and obligations hereunder, and (E) the assignee covenants and agrees to LVCVA that it shall operate, manage and maintain the Ball Park, and the Company at a level comparable to that established by the Company. Upon any such assignment and assumption that complies with the provisions of this Section 15.5(a), the Company shall be fully released from any further liability under this Agreement.

(b) The Company shall have the right to collaterally assign or grant a security interest in its rights to receive Sponsorship Fees hereunder to any third-party lender(s) that provide a loan to the Company. If requested, LVCVA shall execute a consent to any such collateral assignment or grant of a security interest permitted by this Section 15.5(b), provided that: (i) such consent is in a form and substance reasonably satisfactory to LVCVA, (ii) such lender executes customary and appropriate non-disturbance and attornment agreements, and (iii) such consent only requires LVCVA to consent to the assignment of the right to receive the Sponsorship Fees, to give the secured third-party lender(s) copies of any notices that LVCVA is required to give the Company hereunder, and to require LVCVA to accept the tender of a timely cure by the secured third-party lender(s) of any default by the Company hereunder. If the Company notifies LVCVA of any assignment to any bank, lending or financing institution or other lender, LVCVA shall, if and when requested by any such bank, lending or financing institution or other lender in writing, pay all amounts payable by LVCVA to the Company directly to such bank, lending or financing institution or other lender, as the case may be, and that LVCVA agrees to provide such further assurances and additional documentation as is reasonably requested by any such bank, lending or financing institution or any other lender. The Company and LVCVA intend and agree that any such assignment will constitute a present and continuing assignment of the Sponsorship Fees until this such assignment is terminated, but in the event the assignment is deemed to be a secured financing, the Company agrees to grant a first priority security interest in the Sponsorship Fees to such bank, lending or financing institution or other lender, and that any such assignment agreement shall be deemed a "security agreement" as defined in the Uniform Commercial Code as adopted in the State of Nevada. The Company is hereby authorized to file such financing statements and continuation statements from time to time as they may determine is necessary or appropriate to perfect the security interest hereby granted.

(c) LVCVA shall have the right to assign its rights and obligations under this Agreement (in whole or in part) to any entity wholly-owned by LVCVA (directly or indirectly), to any entity which purchases all or substantially all of the assets of LVCVA, or to a successor entity in the

event of a merger involving LVCVA, provided: (i) LVCVA obtains the prior written consent of the Company, which consent shall not be unreasonably delayed or withheld, (ii) the assignee has the authority and legal ability to and specifically assumes and agrees to fully perform all of the obligations of LVCVA under this Agreement, (iii) the assignee has such rights in the LVCVA Marks as are necessary to perform such assignee's obligations under this Agreement, and (iv) LVCVA and the assignee execute and deliver to the Company such assignments, assumptions, and other documents as the Company may reasonably request to evidence such transactions and the assumption of the liabilities and obligations hereunder. Upon any such assignment and assumption under this Subsection 15.5(c), LVCVA shall be fully released from liability under this Agreement.

(d) Except as provided in Subsections 15.5(a)-(d), no Party may (and each Party agrees that it will not) voluntarily, involuntarily, by operation of law or otherwise, sell, assign, transfer, sublease, pledge, mortgage or encumber this Agreement or any of the rights granted herein without the prior written consent of the other Party or Parties, which may be granted in that Party's sole discretion.

15.6 Entire Agreement. This Agreement contains the entire understanding between the Parties hereto with respect to the subject matter hereof, and supersedes all prior and contemporaneous agreements (including but not limited to the Letter), understandings, inducements, and conditions, whether expressed, implied, oral or written. The express terms of this Agreement control and supersede any course of performance and/or usage of trade inconsistent with such terms.

15.7 Further Assurances. The Parties will execute and deliver all such further endorsements, instruments, agreements, and other documents and take all such further actions as the other Party may reasonably request from time to time in order to effectuate the terms, purposes, and intent of this Agreement.

15.8 Independent Contractors. For all purposes under this Agreement, the Parties are independent contractors and nothing contained in this Agreement shall constitute or be deemed to constitute or give rise to a partnership, joint venture, or master and servant, employer and employee, principal and agent, fiduciary, or other relationship that imposes a fiduciary duty between the Parties. The Parties shall each be solely responsible for the conduct of their respective employees and agents in connection with the performance of their respective obligations hereunder.

15.9 Amendments and Waivers. This Agreement may not be modified or amended except by a writing signed by the Parties hereto.

15.10 Agreement Sufficient. The Parties agree that, assuming due execution of this Agreement by the other Party, this Agreement represents a valid and binding contract between them, setting forth in adequate detail the material terms of their agreement with respect to the subject matter hereof.

15.11 Confidentiality. Intentionally deleted.

15.12 Counsel Involved. Each Party has been represented by counsel of its own choosing in connection with the negotiation, preparation, and drafting of this Agreement and, consequently, the Parties hereby waive the application of any rule of law to the effect that ambiguities contained in

the final written form of this Agreement shall be interpreted or construed against the Party who or whose attorney prepared the final draft or any prior draft hereof.

15.13 Consents. Except as otherwise specifically provided for herein, all consents or approvals by any of the Parties hereto must be in writing, signed by the Party giving such consent or approval, and shall not be unreasonably withheld or delayed. Any Party's failure to approve or disapprove any request from the other Party within fifteen (15) business days after such written request is deemed to have been given in accordance with the provisions of Section 15.4 hereof shall result in such request being deemed to have been denied.

15.14 Certain Rules of Construction. Unless otherwise specified in this Agreement, all references to "herein," "hereof," "hereto," "hereby," or "hereunder," shall be deemed references to this Agreement as a whole and not to any particular section, subsection, sentence, or clause of this Agreement, and the terms "include" and "including" shall mean "include without limitation" and "including without limitation," respectively.

15.15 Headings. The captions and headings appearing in this Agreement have been inserted as a matter of convenience and in no way define, limit, or enlarge the scope of this Agreement or any of the provisions hereof.

15.16 Execution In Counterpart. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

[SIGNATURE PAGE FOLLOWS]

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

CLARK COUNTRY LAS VEGAS STADIUM LLC

By: /s/ Peter F. Riley
Name: Peter F. Riley
Title: **SECRETARY**

LAS VEGAS CONVENTION AND VISITORS AUTHORITY

By: /s/ Rossi Ralenkotter
Name: Rossi Ralenkotter
Title: **PRESIDENT/CEO**

Exhibit 10.22

EMPLOYMENT AGREEMENT

This Employment Agreement (this "*Agreement*"), dated September 29, 2023, is entered into by and between Howard Hughes Holdings Inc., a Delaware corporation ("*HHH*"), and Anton Nikodemus (the "*Executive*").

RECITALS

WHEREAS, the parties desire to enter into and be bound by this Agreement.

WHEREAS, the Executive shall initially be employed by HHH, but as soon as a to-be-formed company with the working name of "Seaport Entertainment Corp." ("Seaport") is publicly listed on a nationally recognized exchange, he will become employed by Seaport.

WHEREAS, during the time that Executive is employed by HHH, the term "Company" in this Agreement shall mean HHH.

WHEREAS, during the time that Executive is employed by Seaport, the term "Company" in this Agreement shall mean Seaport.

NOW THEREFORE, IT IS HEREBY AGREED AS FOLLOWS:

1. **Employment Period**. The Company hereby agrees to employ the Executive, and the Executive hereby agrees to work in the employ of the Company, subject to the terms and conditions, rights and obligations of this Agreement, for the period commencing no later than January 2, 2024 (the "Effective Date") and ending, unless terminated earlier pursuant to Section 3 hereof, on the fifth (5th) anniversary of the Effective Date (the "*Employment Period*"). No later than seven (7) days after Executive's employment begins, the parties shall append the attached Exhibit A to the Agreement stating the agreed upon Effective Date. Thereafter, the Employment Period shall renew automatically additional periods of one (1) year, unless either party provides the other party with written notice of non-renewal at least sixty (60) days prior to the date of automatic renewal. Notwithstanding anything herein to the contrary, this Agreement shall become null and void, *ab initio*, in the event the Executive does not commence employment with the Company, for any reason, on or prior to Effective Date.

2. **Terms of Employment**.

(a) *Position and Duties*.

(i) During the Employment Period, the Executive shall serve as Chief Executive Officer of HHH Seaport Division, and on the date Seaport begins being publicly listed on a nationally recognized exchange will become Chief Executive Officer of Seaport. Executive's job duties and responsibilities as Chief Executive Officer of HHH Seaport Division and Chief Executive Officer of Seaport include the management of all matters related to the Seaport region, including the Jean George-related joint venture and related projects, the Aviators minor league baseball team, and the Fashion Show air rights, with such authority, duties and responsibilities as are normally attendant to such position and such other duties commensurate with this position that may be reasonably assigned by the Company's Board of Directors (the "*Board*"). During his employment at HHH, the Executive shall report to the Board of HHH. During his employment at Seaport, the Executive shall report to the Board of Seaport. Within thirty (30) days of Seaport being publicly listed on a nationally recognized exchange, the Executive shall be appointed as a director on the Board of Seaport, and Seaport shall nominate the Executive for election to the Board at each annual stockholders' meeting of Seaport that occurs during the Employment Period.

(ii) During the Employment Period, and excluding any periods of vacation and sick leave to which the Executive is entitled, the Executive agrees to devote all of his business attention and time to the business and affairs of the Company, and to use his reasonable best efforts to perform such responsibilities. During the Employment Period, it shall not be a violation of this Agreement for the

Executive to (A) serve on civic or charitable boards or committees, (B) manage personal and family investments, and (C) engage in lectures or teaching, so long as any such activities referenced in Section 2(a)(ii)(A)-(C) do not, individually or in the aggregate, interfere with the discharge of the Executive's responsibilities pursuant to this Agreement; provided, however, for the avoidance of doubt, during the Employment Period, the Executive shall not hold any other management positions at other companies or any other entities.

(b) *Compensation*.

(i) *Annual Base Salary*. During the Employment Period, unless increased by the Board in its sole discretion, the Executive shall receive an annual base salary of ONE MILLION TWO HUNDRED FIFTY THOUSAND DOLLARS ($1,250,000) (the "*Annual Base Salary*"), payable in equal installments in accordance with the Company's normal payroll practice for its senior executives, subject to the Executive's continued employment with the Company.

(ii) *Annual Bonus*. Commencing in 2024, and continuing during each subsequent calendar year of the Employment Period, the Executive shall be eligible for an annual cash bonus (the "*Annual Bonus*") in the targeted amount of ONE HUNDRED PERCENT (100%) of Annual Base Salary (the "*Target Bonus Amount*"), which shall be awarded each year during the Employment Period by the Compensation Committee of the Board (the "*Compensation Committee*") based upon its evaluation of such performance measures and objectives as may be established by the Compensation Committee from time to time (the "*Annual Bonus Performance Metrics*"). The amount of the Annual Bonus that shall be paid to Executive each year shall be determined by the Compensation Committee based on the achievement of the Annual Bonus Performance Metrics; provided, however, that, if the Compensation Committee establishes a minimum overall performance goal that is required to be achieved for the Executive to be eligible to receive any Annual Bonus in respect of a calendar year, and that minimum overall goal is achieved for such calendar year, then the Annual Bonus for such calendar year shall be equal to at least FIFTY PERCENT (50%) of the Target Bonus Amount, but not more than ONE-HUNDRED AND FIFTY PERCENT (150%) of the Target Bonus Amount. The Annual Bonus for each year shall be paid to the Executive as soon as reasonably practicable following the end of such year and at the same time that other senior executives of the Company receive bonus payments, but in no event later than March 15 following the end of the calendar year to which such Annual Bonus relates.

(iii) *Initial Seaport LTIP Award.* As soon as reasonably practicable following the date that Seaport begins trading on a nationally recognized exchange and has filed a Form S-8, Seaport will award Executive an initial LTIP Award having an initial value of TEN MILLION DOLLARS ($10,000,000) (calculated based on a volume weighted average trading price for the first five (5) days that Seaport is traded on a nationally recognized exchange) and cliff vests on the five year anniversary of the date Seaport begins trading on a nationally recognized exchange (such award, the "*Seaport LTIP Award*"). One-third (1/3rd) of the Seaport LTIP Award will be granted in the form of restricted stock; one-third (1/3rd) of the Seaport LTIP Award will be granted in the form of an option to purchase shares of Seaport at the fair market value of Seaport as of the date of grant; and one-third (1/3rd) of the Seaport LTIP Award will be granted in the form of an option to purchase shares of Seaport at a price equal to one hundred and fifty percent (150%) of the fair market value of Seaport on the date of grant. The Seaport LTIP Award will be contingent upon approval of Seaport's Compensation Committee and/or Board of Directors and subject to the terms and conditions of Seaport's equity incentive plan and the applicable award agreements issued thereunder.

(iv) *Initial LTIP Award.* On the Effective Date, the Company awarded the Executive an initial Annual LTIP Award under the Company's Amended and Restated Incentive Plan (the "*Incentive Plan*") with an aggregate targeted grant value of TWO MILLION AND FOUR HUNDRED THOUSAND DOLLARS ($2,400,000), consisting of restricted stock of the Company. The foregoing award is subject to the terms and conditions of the Incentive Plan and the applicable award agreements issued thereunder

(including, without limitation, the vesting terms contained therein). This award shall provide for *pro rata* time vesting over three years in accordance with the terms of the applicable award agreement.

(v) *Cash Bonus*. The Executive shall receive a cash bonus in the amount of ONE MILLION DOLLARS ($1,000,000) in February 2024.

(vi) *Relocation*. The Executive agrees to relocate his principal residence to the New York City, New York metropolitan area no later than twelve (12) months following the Effective Date. The Company shall provide the Executive with (A) reimbursement for temporary housing for Executive up to twelve (12) months after commencement of employment, provided that the allowance shall cease upon close of the sale of Executive's residence located in Henderson, Nevada; (B) reimbursement for all documented incurred expenses related to all aspects of Executive's relocation not to exceed $200,000, including but not limited to closing costs for Executive's sale of Executive's Henderson, Nevada residence and closing costs for purchase of residence in the New York City, New York metropolitan area; full-service full packing and unpacking of Executive's and Executive's family's personal property; transport of Executive's vehicles; and travel costs for Executive and Executive's family related to relocation efforts and obligations related thereto.

(vii) *Indemnification*. Beginning on the Effective Date, the Company and the Executive will enter into an indemnification agreement on substantially the same terms as the indemnification agreements entered into by the Company and each of its directors, officers and senior executives. Thereafter, as promptly as practicable after Seaport begins being publicly listed on a nationally recognized exchange, the Company and the Executive will enter into an indemnification agreement on substantially the same terms as the indemnification agreements entered into by the Company and each of its directors, officers and senior executives. In addition, to the extent not covered by such indemnification agreement or the Company's other directors and officers indemnification arrangements, the Company shall indemnify the Executive for any losses, costs, or expenses (including reasonable and documented attorneys' fees) actually incurred by the Executive in connection with the Executive's execution of certain liquor licenses on behalf of the Company (or one or more of its subsidiaries) in New York City, New York, to the fullest extent permitted by the Company's organizational documents and applicable law.

(c) *Benefits*. During the Employment Period, except as otherwise expressly provided herein, the Executive shall be entitled to participate in all employee welfare benefit plans, practices, policies and programs and fringe benefits to the extent applicable generally and on a basis no less favorable than that provided to other senior officers of the Company, including, without limitation, health, medical, dental, long-term disability and life insurance plans. The Executive shall be entitled to paid annual vacation totaling four (4) weeks per calendar year in accordance with the Company's vacation policy in effect from time to time.

(d) *Expenses*. The Company shall reimburse the Executive for all reasonable and necessary expenses actually incurred by the Executive in connection with the business affairs of the Company and the performance of the Executive's duties hereunder, in accordance with Company policy as in effect from time to time.

(e) *Business Travel*. Notwithstanding the foregoing, to the extent that the Executive is required to travel during the Employment Period in connection with the Executive's duties and responsibilities hereunder, the Company shall, in accordance with Company policy as in effect from time to time, reimburse the Executive as follows:

(i) for first class commercial air travel for the Executive (and the Executive's spouse, if the Executive's spouse's presence is required for Company events, consistent with the Company's general policies); and (ii) for first-class hotel accommodations.

3. **Termination of Employment**.

(a) *Death or Permanent Disability*. The Executive's employment shall terminate automatically upon the Executive's death or if the Executive suffers a Permanent Disability. For purposes of this Agreement, "*Permanent Disability*" means the inability of the Executive to perform the essential functions of his job with the Company by reason of a medically determinable physical or mental impairment that can be expected to last for sixty (60) or more consecutive days or more than ninety (90) days during any three hundred sixty-five (365) day period, as determined by a duly licensed physician. If the Executive suffers a Permanent Disability during the Employment Period, the Company may give to the Executive written notice, in accordance with Section 12(b), of its intention to terminate the Executive's employment. In such event, the Executive's employment with the Company shall terminate effective on the thirtieth (30th) day after the Executive's receipt of such notice by the Company, provided that, within the thirty (30) days after such receipt, the Executive shall not have returned to full-time performance of the Executive's duties. The Executive shall fully cooperate in connection with the determination of whether a Permanent Disability exists.

(b) *Cause*. The Company may terminate the Executive's employment during the Employment Period for Cause. For purposes of this Agreement, "*Cause*" shall mean, as determined in good faith by a unanimous vote (excluding the Executive if he is then a member of the Board) of the Board at a meeting of the Board held for such purpose, and where the Executive and the Executive's counsel had an opportunity (on at least 15 days prior notice) to be heard before the Board, the Executive's:

(i) conviction, plea of guilty or no contest to any felony;

(ii) gross negligence or willful misconduct in the performance of the Executive's duties;

(iii) drug addiction or habitual intoxication;

(iv) commission of fraud, embezzlement, misappropriation of funds, breach of fiduciary duty, material violation of law or a material act of dishonesty against the Company, in each case that the Board determines was willful;

(v) material and continued breach of this Agreement, after notice for substantial performance is delivered by the Company in writing that identifies in reasonable detail the manner in which the Company believes the Executive is in breach of this Agreement;

(vi) willful material breach of Company policy or code of conduct; or

(vii) willful and continued failure to substantially perform his duties hereunder (other than such failure resulting from the Executive's incapacity due to physical or mental illness);

provided, however, that in each case the Company shall provide the Executive with written notice that an event constituting Cause has occurred (such notice to be provided within sixty (60) days of the initial occurrence of such event) and specifying the details of such event. With respect to any events described under Sections 3(b)(ii), (v), (vi) or (vii) above, the Executive shall be given thirty (30) days from his receipt of written notice to cure such events. If the Executive cures an event during such period that would otherwise constitute Cause, then the Company will have no right to terminate the Executive's employment for Cause. For purposes of this provision, no act or omission on the part of the Executive shall be considered "willful" unless it is done or omitted not in good faith or without reasonable belief that the act or omission was in the best interests of the Company. Any act or omission by the Executive based upon a resolution duly adopted by the Board or advice of counsel for the Company shall be conclusively presumed to have been done or omitted in good faith and in the best interests of the Company. This Section 3(b) shall not prevent the Executive from challenging whether the Board acted in good faith in determining that Cause exists or that the Executive has failed to cure any act (or failure to act) that purportedly formed the basis

for the Board's determination in accordance with the procedures set forth in Section 10. In addition, and for the avoidance of doubt, the burden of proof regarding the existence of Cause shall be on the Company.

(c) *Good Reason*. The Executive may terminate the Executive's employment during the Employment Period for Good Reason. For purposes of this Agreement, "Good Reason" shall mean the occurrence of any of the following events without the Executive's written consent:

(i) a material diminution in the Executive's base compensation;

(ii) a material diminution in the Executive's authority, duties or responsibilities;

(iii) the Executive no longer reports directly to the Board;

(iv) any other action or inaction that constitutes a material breach by the Company of this Agreement; or

(v) any requirement that the Executive relocate or maintain his Principal Location more than fifty (50) miles from New York, New York;

provided, however, that in each case the Executive must provide the Company with written notice that an event constituting Good Reason has occurred (such notice to be provided within sixty (60) days of the initial occurrence of such event) and specifying the details of such event. With respect to any events described under Section 3(c)(i), (ii), (iv) or (v) above, the Company shall be given thirty (30) days from its receipt of written notice to cure such events. If the Company cures an event during such period that would otherwise constitute Good Reason, then the Executive will have no right to terminate his employment for Good Reason. Following the occurrence of a Change in Control (as defined below), any claim by the Executive that Good Reason exists shall be presumed to be valid and correct unless an AAA arbitrator determines, in accordance with Section 10, that the Company has established by clear and convincing evidence that Good Reason does not exist. A termination of the Executive's employment for Good Reason in accordance with this Section 3(c) is intended to be treated as an involuntary separation from service for purposes of Section 409A of the Internal Revenue Code of 1986, as amended (the "*Code*").

(d) *Without Cause*. Subject to the provisions of this Agreement, the Company shall have the right to terminate the Executive's employment hereunder without Cause by providing the Executive with sixty (60) days' prior written Notice of Termination, and such termination shall not in and of itself be, nor shall it be deemed to be, a breach of this Agreement.

(e) *Without Good Reason*. The Executive will have the right to voluntarily terminate his employment hereunder without Good Reason by providing the Company with sixty (60) days' prior written Notice of Termination, and such voluntary termination shall not in and of itself be, nor shall it be deemed to be, a breach of this Agreement.

(f) *Notice of Termination*. Any termination by the Company or by the Executive shall be communicated by providing Notice of Termination to the other party hereto given in accordance with Section 12(b). For purposes of this Agreement, a "*Notice of Termination*" means a written notice which (i) indicates the specific termination provision in this Agreement relied upon, (ii) to the extent applicable, sets forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of the Executive's employment under the provision so indicated, and (iii) the contemplated date of termination.

4. **Obligations of the Company upon Termination**.

(a) *Non-Change in Control Termination (Other than Non-Renewal)*. If (1) during the Employment Period, the Company shall terminate the Executive's employment without Cause (and other than upon

the Executive's death or Permanent Disability) or (2) during the Employment Period, the Executive shall terminate his employment for Good Reason, the Company shall have no further obligations to the Executive except as follows:

(i) the Company shall pay or provide the Executive, to the extent not theretofore paid, as soon as practicable after the date of termination (but in no event later than 60 days after the date of termination): (A) accrued Annual Base Salary and vacation pay through the date of termination; (B) any reimbursement to which the Executive is entitled pursuant to Company policy, but which was not reimbursed prior to the date of termination; and (C) any other earned but unpaid outstanding compensatory arrangements ((A), (B) and (C)), together, the "*Accrued Benefits*");

(ii) the Company shall pay the Executive at the normally scheduled time an amount equal to the product of (x) the Target Bonus Amount multiplied by (y) a fraction, the numerator of which is the number of days of during such calendar year that the Executive was employed by the Company and the denominator of which is 365 (the "*Prorated Bonus*");

(iii) the Company shall pay the Executive, on the 60th day following the date of termination, a lump sum amount equal to the product of one times (1x) the sum of (A) the Annual Base Salary (which shall be the Annual Base Salary prior to any reduction if the termination is for Good Reason because of a reduction in the Annual Base Salary) plus (B) the Target Bonus Amount; and

(iv) (A) all prior share Awards (as defined in the Incentive Plan or its predecessor), granted to Executive pursuant to any agreement(s) entered into prior to the Effective Date between Executive and the Company to the extent outstanding as of the date of termination that are subject to forfeiture on the date of termination shall fully vest and become non-forfeitable; provided, that any such Awards that are subject to performance-based vesting restrictions or conditions shall instead be treated in accordance with clause (C) of this Section 4(a)(iv), (B) all outstanding Time Vesting LTIP Awards, if any, that are subject to forfeiture on the date of termination shall fully vest and become non-forfeitable, and (C) all outstanding Performance Vesting LTIP Awards, if any, that are subject to forfeiture on the date of termination shall remain outstanding and continue to vest in accordance with the terms and conditions of the grant of the applicable equity award as if Executive's employment had continued through the date on which the performance metrics are measured (and the Company shall take any action that is necessary to ensure that such equity awards remain outstanding under the Incentive Plan), and at such time such equity awards shall either be vested or forfeited based on the achievement of the applicable performance metrics (the "*Continued Eligibility for Vesting*").

The amounts payable or to be provided under this Section 4(a) shall be in lieu of any amounts that would otherwise be paid or provided under Section 4(b), Section 4(c) and Section 4(d).

(b) *Non-Renewal*. If the Executive's employment is terminated based on the Company electing to not renew or extend the Employment Period on the fifth (5th) anniversary, or any subsequent anniversary, of the Effective Date, the Company shall have no further obligations to the Executive except as follows:

(i) the Accrued Benefits;

(ii) the Prorated Bonus; and

(iii) (A) all outstanding Time Vesting LTIP Awards, if any, that are subject to forfeiture on the date of termination shall fully vest and become non-forfeitable, and (B) the Continued Eligibility for Vesting.

The amounts payable or to be provided under this Section 4(b) shall be in lieu of any amounts that would otherwise be paid or provided under Section 4(a), Section 4(c) and Section 4(d).

(c) *Termination Because of Death or Permanent Disability*. If, during the Employment Period, the Executive's employment terminates because the Executive dies or as a result of Permanent Disability, the Company shall have no further obligations to the Executive except as follows:

(i) the Accrued Benefits;

(ii) the Prorated Bonus; and

(iii) (A) all outstanding Time Vesting LTIP Awards, if any, that are subject to forfeiture on the date of termination shall fully vest and become non-forfeitable, and (B) the Continued Eligibility for Vesting.

The amounts payable or to be provided under this Section 4(c) shall be in lieu of any amounts that would otherwise be paid or provided under Section 4(a), Section 4(b) and Section 4(d).

(d) *Change in Control Termination*. If, during the Employment Period, the Company shall terminate the Executive's employment without Cause (and other than upon the Executive's death or Permanent Disability), or if the Executive shall terminate his employment for Good Reason, in either case, in connection with, or within twelve (12) months following, a Change in Control (any such termination of employment, a "*Change in Control Termination*"), the Company shall have no further obligations to the Executive except as follows:

(i) the Accrued Benefits;

(ii) the Prorated Bonus;

(iii) the Company shall pay the Executive, on the 60th day following the date of termination, a lump sum amount equal to the product of two times (2x) the sum of (A) the Annual Base Salary (which shall be the Annual Base Salary prior to any reduction if the termination is for Good Reason because of a reduction in the Annual Base Salary) plus (B) the Target Bonus Amount; and

(iv) (A) all prior share Awards granted to Executive pursuant to any agreement(s) entered into prior to the Effective Date between Executive and the Company to the extent outstanding as of the date of termination that are subject to forfeiture on the date of termination shall fully vest and become non-forfeitable; provided, that any such Awards that are subject to performance-based vesting restrictions or conditions shall instead be treated in accordance with clause (C) of this Section 4(d)(iv); (B) all outstanding Time Vesting LTIP Awards, if any, that are subject to forfeiture on the date of termination shall fully vest and become non-forfeitable, and (C) all outstanding Performance Vesting LTIP Awards, if any, that are subject to forfeiture on the date of termination shall fully and immediately vest and become non-forfeitable at the greater of (1) one hundred percent (100%) of the number of shares of Common Stock granted pursuant to each such award, or (2) the performance level that has been achieved as of the date of termination.

The amounts payable or to be provided under this Section 4(d) shall be in lieu of any amounts that would otherwise be paid or provided under Section 4(a), Section 4(b) and Section 4(c).

(e) *Condition*. The Company shall not be required to make the payments and provide the benefits specified in Sections 4(a)(ii), 4(a)(iii), 4(a)(iv), 4(b)(ii), 4(b)(iii), 4(c)(ii), 4(c)(iii), 4(d)(ii), 4(d)(iii) or 4(d)(iv) hereof unless, prior to payment, the parties hereto (or the Executive's estate in the event of Executive's death) have entered into a release substantially in the form attached hereto as Exhibit B (for which the applicable seven-day revocation period has expired), prior to the 60th day following the date of termination, under which the Executive releases the Company, its Affiliates and their officers, directors and employees from all liability (other than the payments and benefits under this Agreement); provided, that if the time period for executing and returning the release begins in one taxable year and ends in a second taxable year, any payments shall not commence until the second taxable year. In the event that such release is not executed and delivered to the Company in accordance with

this Section 4(e) prior to the 60th day following the date of termination (with the applicable seven-day revocation period having expired), the Executive shall forfeit the payments and benefits specified in Sections 4(a)(ii), 4(a)(iii), 4(a)(iv), 4(b)(ii), 4(b)(iii), 4(c)(ii), 4(c)(iii), 4(d)(ii), 4(d)(iii) or 4(d)(iv) hereof, as applicable.

(f) *Resignation from Certain Directorships*. Following the Employment Period or the termination of the Executive's employment for any reason, if and to the extent requested by the Board, the Executive agrees to resign from the Board, all fiduciary positions (including as trustee) and from all other offices and positions he holds with the Company and any of its Affiliates; provided, however, that if the Executive refuses to tender his resignation after the Board has made such request, then the Board shall be empowered to tender the Executive's resignation from such offices and positions.

5. **Certain Definitions**.

(a) For purposes of this Agreement, "*Change in Control*" shall mean a "Change of Control," as defined in the Incentive Plan; provided, that notwithstanding anything to the contrary in the Incentive Plan or this Agreement, any transaction with Pershing Square Capital Management, L.P. or any of its Affiliates shall not be deemed to be a Change in Control, unless otherwise determined by the Board. For the avoidance of doubt, and notwithstanding anything to the contrary in the Incentive Plan or this Agreement, a transaction or series of transactions in which Seaport becomes a separate and independently traded company on a nationally recognized exchange shall not constitute a Change in Control for purposes of this Agreement.

(b) For purposes of this Agreement, "*Affiliate*" means, with respect to any Person, (A) if such Person is not an individual, any Person directly or indirectly controlling or controlled by or under direct or indirect common control with such Person, where "control" means the possession, directly or indirectly, of the power to direct the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise or any entity in which such Person has a substantial equity interest, and (B) if such Person is an individual, a spouse of such Person, or any child or parent of such Person. For purposes of this Agreement, "*Person*" means any individual, partnership, corporation, limited liability company, association, business trust, joint venture, business entity or other entity of any kind or nature, including any business unit of such Person.

6. **No Mitigation**. In no event shall the Executive be obligated to seek or obtain other employment after the date of termination, or take any other action by way of mitigation of the amounts payable to the Executive under any of the provisions of this Agreement, and such amounts shall not be reduced, whether or not the Executive obtains other employment. The Company may offset any amounts that it owes to the Executive by any amounts that the Executive owes to the Company or its Affiliates; provided that, in no event, shall any payment under this Agreement that constitutes "nonqualified deferred compensation" for purposes of Section 409A of the Code be subject to offset by any amount unless such offset is expressly permitted under Section 409A of the Code.

7. **Potential Reductions**.

(a) Notwithstanding any other provisions in this Agreement, in the event that any payment or benefit received or to be received by the Executive (including, without limitation, any payment or benefit received in connection with a Change in Control or the termination of the Executive's employment, whether pursuant to the terms of this Agreement or any other plan, program, arrangement or agreement) (all such payments and benefits, together, the "*Total Payments*") would be subject (in whole or part), to any excise tax imposed under Section 4999 of the Code, or any successor provision thereto (the "*Excise Tax*"), then, after taking into account any reduction in the Total Payments provided by reason of Section 280G of the Code in such other plan, program, arrangement or agreement, the Company will reduce the Executive's payments and/or benefits under this Agreement, to the extent necessary so that no portion of the Total Payments is subject to the Excise Tax (but in no event to less than zero), in the following order: (i) any cash severance amount, as described in Sections 4(d)(ii) and 4(d)(iii); and (ii) any acceleration of outstanding equity compensation, as described in Section 4(d)(iv) hereof (the payments and benefits set forth in clauses (i) through (ii) of this Section 7(a), together, the "*Potential Payments*"); provided, however, that the Potential Payments shall only be reduced if (A) the net amount of such Total Payments, as so reduced (and after subtracting the net amount of federal, state and local income taxes on such reduced Total Payments and after taking

into account the phase out of itemized deductions and personal exemptions attributable to such reduced Total Payments), is greater than or equal to (B) the net amount of such Total Payments without such reduction (but after subtracting the net amount of federal, state and local income taxes on such Total Payments and the amount of Excise Tax to which the Executive would be subject in respect of such unreduced Total Payments and after taking into account the phase out of itemized deductions and personal exemptions attributable to such unreduced Total Payments). For purposes of determining whether and the extent to which the Total Payments will be subject to the Excise Tax: (i) no portion of the Total Payments the receipt or enjoyment of which the Executive shall have waived at such time and in such manner as not to constitute a "payment" within the meaning of Section 280G(b) of the Code shall be taken into account; (ii) no portion of the Total Payments shall be taken into account which does not constitute a "parachute payment" within the meaning of Section 280G(b)(2) of the Code (including, without limitation, by reason of Section 280G(b)(4)(A) of the Code) and, in calculating the Excise Tax, no portion of such Total Payments shall be taken into account which constitutes reasonable compensation for services actually rendered, within the meaning of Section 280G(b)(4)(B) of the Code, in excess of the "base amount" (as set forth in Section 280G(b)(3) of the Code) that is allocable to such reasonable compensation; and (iii) the value of any non-cash benefit or any deferred payment or benefit included in the Total Payments shall be determined by in accordance with the principles of Sections 280G(d)(3) and (4) of the Code.

(b) All determinations required to be made under this Section 7, including whether an Excise Tax would otherwise be imposed, whether the Total Payments shall be reduced, the amount of any such reduction and the assumptions to be utilized in arriving at such determinations not expressly provided for herein, shall be made by an independent, nationally recognized accounting firm or compensation consulting firm mutually acceptable to the Company and Executive (the "*Determination Firm*") which shall provide detailed supporting calculations both to the Company and Executive within 15 business days of the receipt of notice from the Company that a payment is due to be made hereunder, or such earlier time as is requested by the Executive. All reasonable fees and expenses of the Determination Firm shall be borne solely by the Company. Any determination by the Determination Firm shall be binding upon the Company and Executive, absent manifest error. As a result of the uncertainty in the application of Section 4999 of the Code at the time of the initial determination by the Determination Firm hereunder, it is possible that payments which Executive was entitled to, but did not receive as a result of application of Section 7, could have been made without the imposition of the Excise Tax ("*Underpayment*"), consistent with the calculations required to be made hereunder. In such event, the Determination Firm shall determine the amount of the Underpayment that has occurred and any such Underpayment shall be promptly paid by the Company to or for the benefit of Executive but no later than March 15 of the year after the year in which the Underpayment is determined to exist, which is when the legally binding right to such Underpayment arises.

(c) The fact that the Executive's right to payments or benefits may be reduced by reason of the limitations contained in this Section 7 shall not of itself limit or otherwise affect any other rights of the Executive under this Agreement.

8. **Restrictive Covenants**.

(a) *Non-Solicit*. During the Employment Period, and for a twelve (12) month period after the Executive's employment is terminated for any reason, the Executive shall not (except in connection with the performance of his duties for the Company) in any manner, directly or indirectly (without the prior written consent of the Company) Solicit (as defined below) anyone who is then an employee or independent contractor of the Company or its Affiliates or who was an employee or independent contractor of the Company or its Affiliates within the prior twelve (12) months to resign from the Company or its Affiliates or to apply for or accept employment with any other business or enterprise. For purposes of this Agreement, "*Solicit*" means any direct or indirect communication of any kind, regardless of who initiates it, that in any way invites, advises, encourages or requests any person to take or refrain from taking any action.

(b) *Confidential Information*. The Executive hereby acknowledges that, as an employee of the Company, he will be making use of, acquiring and adding to confidential information of a special and unique nature and value relating to the Company and its Affiliates and their strategic plan and financial operations. The Executive further recognizes and acknowledges that all confidential information is the exclusive property of the

Company and its Affiliates, is material and confidential, and is critical to the successful conduct of the business of the Company and its Affiliates. Accordingly, the Executive hereby covenants and agrees that he will use confidential information for the benefit of the Company and its Affiliates only and shall not at any time, directly or indirectly, during the term of this Agreement and thereafter divulge, reveal or communicate any confidential information to any person, firm, corporation or entity whatsoever, or use any confidential information for his own benefit or for the benefit of others. Notwithstanding the foregoing, the Executive shall be authorized to disclose confidential information (i) as may be required by law or legal process after providing the Company with prior written notice and an opportunity to respond to such disclosure (unless such notice is prohibited by law), or (ii) with the prior written consent of the Company. Notwithstanding anything to the contrary in this Agreement, the Executive shall not be prohibited from: (i) filing and, as provided for under Section 21F of the Securities Exchange Act of 1934, as amended (the "*Exchange Act*") maintaining the confidentiality of a claim with a government agency that is responsible for enforcing a law; (ii) providing confidential information to the extent required by law or legal process or permitted by Section 21F of the Exchange Act; (iii) cooperating, participating or assisting in any government or regulatory entity investigation or proceeding; or (iv) receiving an award for information provided to any government agency that is responsible for enforcing the law.

(c) *Non-Competition*. During the Employment Period, and for a twelve (12) month period after the Executive's employment is terminated for any reason, the Executive shall not directly or indirectly (whether for compensation or otherwise) own or hold any interest in, manage, operate, control, consult with, render services for, or in any manner participate in any business that is directly competitive with the business of the Company, either as a general or limited partner, proprietor, shareholder, officer, director, agent, employee, consultant, trustee, Affiliate or otherwise. Nothing herein shall prohibit the Executive from being a passive owner of not more than 2% of the outstanding securities of any publicly traded company engaged in the business of the Company.

(d) *Survival*. Any termination of the Executive's employment or of this Agreement shall have no effect on the continuing operation of this Section 8.

(e) *Non-Disparagement*. During the Employment Period and thereafter, the Executive shall not, in any manner, directly or indirectly through another person or entity, knowingly make any false or any disparaging or derogatory statements about HHH or Seaport, any of their Affiliates or any of their employees, officers or directors. HHH and Seaport, in turn, agrees that they will not make, in any authorized corporate communications to third parties, and they will direct the members of the respective Boards and the executive officers of the Company, not to in any manner, directly or indirectly through another person or entity, knowingly make any false or any disparaging or derogatory statements about the Executive; provided, however, that nothing herein shall prevent either party from giving truthful testimony or from otherwise making good faith statements in connection with legal investigations or other proceedings.

(f) *Enforcement*. If, at the time of enforcement of this Section 8, a court of competent jurisdiction holds that the restrictions stated herein are unreasonable under circumstances then existing, the parties hereto agree that the maximum period, scope or geographical area reasonable under such circumstances shall be substituted for the stated period, scope or area. Because the Executive's services are unique and because the Executive has access to confidential information, the parties hereto agree that money damages would be an inadequate remedy for any breach of this Section 8. Therefore, in the event of a breach or threatened breach of this Agreement, the Company or its successors or assigns may, in addition to other rights and remedies existing in their favor, apply to any court of competent jurisdiction for specific performance and/or injunctive or other relief in order to enforce, or prevent any violations of, the provisions hereof.

9. **Successors**.

(a) This Agreement is personal to the Executive and without the prior written consent of the Company shall not be assignable by the Executive otherwise than by will or the laws of descent and distribution. This Agreement shall inure to the benefit of and be enforceable by the Executive's legal representatives.

(b) This Agreement shall inure to the benefit of and be binding upon the Company and its successors and assigns.

(c) The Company will require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the Company to assume expressly and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform it if no such succession had taken place. Upon the occurrence of a Change in Control, the Company will similarly require the acquiring entity to assume the Company's obligations under this Agreement. As used in this Agreement, "*Company*" shall mean the Company as defined above and any successor to its business and/or assets (or the acquiring entity upon the occurrence of a Change in Control as described and defined above).

(d) The Company may assign this Agreement to Seaport effective as of the date Seaport begins trading on a nationally recognized exchange without the consent of the Executive.

10. **Disputes**.

(a) *Jurisdiction and Choice of Forum*. Except as set forth in Section 8(f), all disputes directly or indirectly arising under or related to the employment of the Executive or the provisions of this Agreement shall be settled by final and binding arbitration under the rules of the American Arbitration Association ("*AAA*") then in effect, such arbitration shall be held in New York, New York, as the sole and exclusive remedy of the parties. The arbitration shall be heard by one (1) AAA arbitrator who shall be selected by AAA. The arbitrator shall have the authority to order expedited discovery and shall set a hearing within ninety (90) days following the arbitrator's appointment as arbitrator by the AAA. The arbitrator shall render an award and decision not later than thirty (30) days following the closing of arbitration hearing. Judgment on any arbitration award may be entered in any court of competent jurisdiction. The prevailing party in any arbitration hearing shall also be entitled to recover his/its costs and attorneys' fees.

(b) *Governing Law*. This Agreement and any disputes, claims or defenses arising under it will be governed by and construed in accordance with the law of the State of Delaware applicable to contracts made and to be performed entirely within that State.

11. **Section 409A of the Code**.

(a) *Compliance*. The intent of the parties is that payments and benefits under this Agreement are either exempt from or comply with Section 409A of the Code ("*Section 409A*") and, accordingly, to the maximum extent permitted, this Agreement shall be interpreted to that end. The parties acknowledge and agree that the interpretation of Section 409A and its application to the terms of this Agreement is uncertain and may be subject to change as additional guidance and interpretations become available. In no event whatsoever shall the Company be liable for any tax, interest or penalties that may be imposed on the Executive by Section 409A or any damages for failing to comply with Section 409A.

(b) *Six Month Delay for Specified Employees*. If any payment, compensation or other benefit provided to the Executive in connection with his employment termination is determined, in whole or in part, to constitute "*nonqualified deferred compensation*" within the meaning of Section 409A and the Executive is a "*specified employee*" as defined in Section 409A, no part of such payments shall be paid before the day that is six months plus one day after the Executive's date of termination or, if earlier, the Executive's death (the "*New Payment Date*"). The aggregate of any payments that otherwise would have been paid to the Executive during the period between the date of termination and the New Payment Date shall be paid to the Executive in a lump sum on such New Payment Date. Thereafter, any payments that remain outstanding as of the day immediately following the New Payment Date shall be paid without delay over the time period originally scheduled, in accordance with the terms of this Agreement.

(c) *Termination as a Separation from Service*. A termination of employment shall not be deemed to have occurred for purposes of any provision of this Agreement providing for the payment of any amounts

or benefits subject to Section 409A upon or following a termination of employment until such termination is also a "*separation from service*" within the meaning of Section 409A and for purposes of any such provision of this Agreement, references to a "*resignation*," "*termination*," "*terminate*," "*termination of employment*" or like terms shall mean separation from service.

(d) *Payments for Reimbursements and In-Kind Benefits*. All reimbursements for costs and expenses under this Agreement shall be paid in no event later than the end of the calendar year following the calendar year in which the Executive incurs such expense. With regard to any provision herein that provides for reimbursement of costs and expenses or in-kind benefits, except as permitted by Section 409A, (i) the right to reimbursement or in-kind benefits shall not be subject to liquidation or exchange for another benefit, and (ii) the amount of expenses eligible for reimbursement or in-kind benefits provided during any taxable year shall not affect the expenses eligible for reimbursement or in-kind benefits to be provided in any other taxable year.

(e) *Payments within Specified Number of Days*. Whenever a payment under this Agreement specifies a payment period with reference to a number of days (e.g., "payment shall be made within 30 days following the date of termination"), the actual date of payment within the specified period shall be within the sole discretion of the Company.

(f) *Installments as Separate Payment*. If under this Agreement, an amount is paid in two or more installments, for purposes of Section 409A, each installment shall be treated as a separate payment.

12. **Miscellaneous**.

(a) *Amendment*. This Agreement may not be amended or modified otherwise than by a written agreement executed by the parties hereto or their respective successors and legal representatives.

(b) *Notices*. Whenever any notice is required or permitted hereunder, such notice must be in writing and personally delivered, mailed by certified or registered mail, return receipt requested, or by email transmission. The parties agree that any notices shall be given at the following addresses; provided that the parties may change, at any time and from time to time, by written notice to the other, the address which it or he had previously specified for receiving notices:

If to the Executive:

at the Executive's primary residential address
as shown on the records of the Company

Email:

If to the Company:

at the Company's corporate headquarters
Attention: Office of the General Counsel

with a copy to:

William A. Ackman, Chairman of the Board
787 11th Avenue, 9th Floor
New York, NY 10019

or to such other address as either party shall have furnished to the other in writing in accordance herewith. Notice and communications shall be effective when actually received by the addressee.

(c) *Severability*. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement.

(d) *Tax Withholding*. The Company may withhold from any amounts payable under this Agreement such federal, state, local or foreign taxes as shall be required to be withheld pursuant to any applicable law or regulation.

(e) *Compliance with Dodd-Frank*. All payments under this Agreement, if and to the extent they are subject to the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "*Dodd-Frank Act*"), shall be subject to any incentive compensation policy established from time to time by the Company to comply with the Dodd-Frank Act. The Executive acknowledges and agrees that the Company may from time to time establish incentive compensation policies that may apply to this Agreement and the awards contemplated hereunder and that applicable sections of this Agreement and any related documents shall be deemed superseded by and subject to the terms and conditions of any such incentive compensation policies from and after the effective date thereof to the extent required by securities and/or exchange rules and regulations.

(f) *No Waiver*. The Executive's or the Company's failure to insist upon strict compliance with any provision of this Agreement or the failure to assert any right the Executive or the Company may have hereunder, including, without limitation, the Company's right to terminate the Executive for Cause pursuant to Section 3 (subject to Executive's right to challenge such determination in accordance with the provisions set forth in Section 3), shall not be deemed to be a waiver of such provision or right or any other provision or right of this Agreement.

(g) *No Strict Construction*. It is the parties' intention that this Agreement not be construed more strictly with regard to the Executive or the Company.

(h) *Entire Agreement*. This Agreement shall supersede any other employment or severance agreement or similar arrangements between the parties, and shall supersede any prior understandings, agreements or representations by or among the parties, written or oral, whether in term sheets, presentations or otherwise, relating to the subject matter hereof. In the event of any inconsistency or conflict between any terms, definitions or conditions of this Agreement and the terms, definitions or conditions of any other agreement, the terms, definitions and conditions of this Agreement shall govern and control.

(i) *Counterparts*. This Agreement may be signed in counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument.

(j) *Section References; Captions*. Any reference to a "Section" herein is a reference to a section of this Agreement unless otherwise stated. The captions of this Agreement are not part of the provisions hereof and shall have no force or effect.

[*Remainder of page intentionally left blank*]

IN WITNESS WHEREOF, the Executive has hereunto set the Executive's hand and, pursuant to the authorization from the Board or other duly authorized governing body, the Company has caused these presents to be executed in its name on its behalf, all effective as of the Effective Date.

[*Remainder of page intentionally left blank*]

EXECUTIVE:

By /s/ Anton Nikodemus

Anton Nikodemus

HOWARD HUGHES HOLDINGS INC.:

By /s/ David R. O'Reilly

Name: David R. O'Reilly

Title: Chief Executive Officer

EMPLOYMENT AGREEMENT

This Employment Agreement (this "*Agreement"*), dated February 2, 2024, is entered into by and between Howard Hughes Holdings Inc., a Delaware corporation (*"HHH"*), and Matthew Partridge (the "*Executive"*).

RECITALS

WHEREAS, the parties desire to enter into and be bound by this Agreement.

WHEREAS, the Executive shall initially be employed by HHH, but as soon as a to-be-formed company with the working name of "Seaport Entertainment Corp." ("Seaport") is publicly listed on a nationally recognized exchange, he will become employed by Seaport.

WHEREAS, during the time that Executive is employed by HHH, the term "Company" in this Agreement shall mean HHH.

WHEREAS, during the time that Executive is employed by Seaport, the term "Company" in this Agreement shall mean Seaport.

NOW THEREFORE, IT IS HEREBY AGREED AS FOLLOWS:

1. **Employment Period.** The Company hereby agrees to employ the Executive, and the Executive hereby agrees to work in the employ of the Company, subject to the terms and conditions, rights and obligations of this Agreement, for the period commencing no later than April 1, 2024 (the "Effective Date") and ending, unless terminated earlier pursuant to Section 3 hereof, on the fifth (5th) anniversary of the Effective Date (the "*Employment Period*"). No later than seven (7) days after Executive's employment begins, the parties shall append the attached Exhibit A to the Agreement stating the agreed upon Effective Date. Thereafter, the Employment Period shall renew automatically for additional periods of one (1) year, unless either party provides the other party with written notice of non-renewal at least sixty (60) days prior to the date of automatic renewal. Notwithstanding anything herein to the contrary, this Agreement shall become null and void, *ab initio,* in the event the Executive does not commence employment with the Company, for any reason, on or prior to Effective Date.

2. **Terms of Employment.**

(a) *Position and Duties.*

(i) During the Employment Period, the Executive shall serve as Chief Financial Officer of HHH Seaport Division, and on the date Seaport begins being publicly listed on a nationally recognized exchange will become Chief Financial Officer of Seaport. Executive's job duties and responsibilities as Chief Financial Officer of HHH Seaport Division and Chief Financial Officer of Seaport include the financial management of all matters related to the Seaport region, including the Jean George-related joint venture and related projects, the Aviators minor league baseball team, and the Fashion Show air rights, with such authority, duties and responsibilities as are normally attendant to such position and such other duties commensurate with this position that may be reasonably assigned by the Company's Board of Directors (the

"*Board*"). During his employment at HHH, the Executive shall report to the CEO of Seaport Entertainment.

(ii) During the Employment Period, and excluding any periods of vacation and sick leave to which the Executive is entitled, the Executive agrees to devote all of his business attention and time to the business and affairs of the Company, and to use his reasonable best efforts to perform such responsibilities. During the Employment Period, it shall not be a violation of this Agreement for the Executive to (A) serve on civic or charitable boards or committees, (B) manage personal and family investments, (C) engage in lectures or teaching, and (D) serve as a director on a for-profit private or public company so long the CEO and Board approve, and so long as any such activities referenced in Section 2(a)(ii)(A)-(D) do not, individually or in the aggregate, interfere with the discharge of the Executive's responsibilities pursuant to this Agreement; provided, however, for the avoidance of doubt, during the Employment Period, the Executive shall not hold any other management positions at other companies or any other entities.

(b) *Compensation.*

(i) *Annual Base Salary.* During the Employment Period, unless increased by the Board in its sole discretion, the Executive shall receive an annual base salary of FIVE HUNDRED FIFTY THOUSAND DOLLARS ($550,000) (the "*Annual Base Salary*"), payable in equal installments in accordance with the Company's normal payroll practice for its senior executives, subject to the Executive's continued employment with the Company.

(ii) *Annual Bonus*. Commencing in 2024, and continuing during each subsequent calendar year of the Employment Period, the Executive shall be eligible for an annual cash bonus (the "*Annual Bonus*") in the targeted amount of SEVENTY-FIVE PERCENT (75%) of Annual Base Salary (the "*Target Bonus Amount*"), which shall be awarded each year during the Employment Period by the Compensation Committee of the Board (the "*Compensation Committee*") based upon its evaluation of such performance measures and objectives as may be established by the Compensation Committee from time to time (the "*Annual Bonus Performance Metrics*"). The amount of the Annual Bonus that shall be paid to Executive each year shall be determined by the Compensation Committee based on the achievement of the Annual Bonus Performance Metrics; provided, however, that, if the Compensation Committee establishes a minimum overall performance goal that is required to be achieved for the Executive to be eligible to receive any Annual Bonus in respect of a calendar year, and that minimum overall goal is achieved for such calendar year, then the Annual Bonus for such calendar year shall be equal to at least FIFTY PERCENT (50%) of the Target Bonus Amount, but not more than ONE-HUNDRED AND FIFTY PERCENT (150%) of the Target Bonus Amount. The Annual Bonus for each year shall be paid to the Executive as soon as reasonably practicable following the end of such year and at the same time that other senior executives of the Company receive bonus payments, but in no event later than March 15 following the end of the calendar year to which such Annual Bonus relates.

(iii) *Annual Equity or Equity-Based Incentive Awards*. Commencing in 2024, and continuing during each subsequent calendar year of the Employment Period, the Executive shall be eligible to receive an annual equity award (the "*Annual LTIP Award"*), which shall be awarded each year during the Employment Period by the Compensation Committee based upon its evaluation of such performance measures and objectives as may be established by the Compensation Committee from time to time. The Annual LTIP Award shall be a long-term equity or equity-based incentive award with an aggregate targeted grant value (with respect to the portion of the Annual LTIP Award that is subject to performance metrics, based on the achievement of the applicable performance metrics that cause the award to vest at the level of 100%, and without taking into account the probability of the award vesting at that level on the date of grant) on the date of grant equal to NINE HUNDRED THOUSAND DOLLARS ($900,000) (the "*Target LTIP Award Amount*"), with the number of shares of the Company's common stock, par value $0.01 per share (the "*Common Stock*") subject to such Annual LTIP Award determined by dividing the aggregate grant value by the closing price per share of the Common Stock on a nationally recognized exchange or as otherwise provided for in the Incentive Plan on the date of grant, which shall be awarded each year by the Compensation Committee based on the achievement of the Annual Bonus Performance Metrics for the applicable year. The determination as to whether the performance goals have been achieved shall be made in the sole discretion of the Compensation Committee. The Annual LTIP Award shall be granted to the Executive at the same time that other senior executives of the Company are granted their annual equity or equity-based incentive awards but in no event later than March 15 following the end of the calendar year to which such Annual LTIP Award relates. Fifty percent (50%) of each Annual LTIP Award granted to the Executive shall provide for *pro rata* time vesting over three years in accordance with the terms of the applicable award agreement (the "*Time Vesting LTIP Award*") and the other fifty percent (50%) of such award shall provide for performance-based vesting (the "*Performance Vesting LTIP Award*"). All Annual LTIP Awards shall be subject to the terms and conditions of the Incentive Plan and any applicable award agreements thereunder. For purposes of this Agreement, "*Incentive Plan*" shall mean The Howard Hughes Corporation 2020 Equity Incentive Plan, as in effect from time to time (and any successor plan thereto).

(iv) *Initial LTIP Award.* On the Effective Date, the Company awarded the Executive an Initial LTIP Award under the Company's Amended and Restated Incentive Plan (the "*Incentive Plan*") with an aggregate grant value of ONE MILLION DOLLARS ($1,000,000), consisting of restricted stock of the Company. The foregoing award is subject to the terms and conditions of the Incentive Plan and the applicable award agreements issued thereunder (including, without limitation, the vesting terms contained therein). This award shall provide for *pro rata* time vesting over three years in accordance with the terms of the applicable award agreement.

(v) *Cash Sign-On Bonus.* The Executive shall receive a one-time cash sign-on bonus in the amount of TWO HUNDRED THOUSAND DOLLARS ($200,000) in April 2024. Notwithstanding the foregoing, Executive acknowledges and agrees that if

he voluntarily resigns or the Company terminates his employment for Cause prior to the Executive having been with the Company for eighteen (18) months, the Executive shall repay a prorated, remaining balance of the cash sign-on bonus. Any such repayment may be deducted in whole or in part from any final payments due to the Executive.

(vi) *Relocation.* The Executive agrees to relocate his principal residence to the New York City, New York metropolitan area no later than twelve (12) months following the Effective Date. The Company shall provide the Executive with (A) reimbursement for temporary housing for Executive up to twelve (12) months after commencement of employment, provided that the allowance shall cease upon close of the sale of Executive's residence located in Orlando, Florida; (B) reimbursement for all documented incurred expenses related to all aspects of Executive's relocation not to exceed $40,000, including but not limited to closing costs for Executive's sale of Executive's Orlando, Florida residence and closing costs for purchase of residence in the New York City, New York metropolitan area; full-service full packing and unpacking of Executive's and Executive's family's personal property; transport of Executive's vehicles; storage costs for Executive's personal property during Executive's relocation transition; and travel costs for Executive and Executive's family related to relocation efforts and obligations related thereto.

(vii) *Indemnification.* Beginning on the Effective Date, the Company and the Executive will enter into an indemnification agreement on substantially the same terms as the indemnification agreements entered into by the Company and each of its directors, officers and senior executives. Thereafter, as promptly as practicable after Seaport begins being publicly listed on a nationally recognized exchange, the Company and the Executive will enter into an indemnification agreement on substantially the same terms as the indemnification agreements entered into by the Company and each of its directors, officers and senior executives.

(c) *Benefits.* During the Employment Period, except as otherwise expressly provided herein, the Executive shall be entitled to participate in all employee welfare benefit plans, practices, policies and programs and fringe benefits to the extent applicable generally and on a basis no less favorable than that provided to other senior officers of the Company, including, without limitation, health, medical, dental, long-term disability and life insurance plans. The Executive shall be entitled to paid annual vacation totaling four (4) weeks per calendar year in accordance with the Company's vacation policy in effect from time to time.

(d) *Expenses*. The Company shall reimburse the Executive for all reasonable and necessary expenses actually incurred by the Executive in connection with the business affairs of the Company and the performance of the Executive's duties hereunder, in accordance with Company policy as in effect from time to time.

(e) *Business Travel.* Notwithstanding the foregoing, to the extent that the Executive is required to travel during the Employment Period in connection with the Executive's duties and responsibilities hereunder, the Company shall, in accordance with- Company policy as in effect from time to time, reimburse the Executive as follows: (i) for first class commercial air travel for the Executive (and the Executive's spouse, if the Executive's spouse's presence is

required for Company events, consistent with the Company's general policies); and (ii) for first-class hotel accommodations.

3. **Termination of Employment.**

(a) *Death or Permanent Disability*. The Executive's employment shall terminate automatically upon the Executive's death or if the Executive suffers a Permanent Disability. For purposes of this Agreement, "*Permanent Disability*" means the inability of the Executive to perform the essential functions of his job with the Company by reason of a medically determinable physical or mental impairment that can be expected to last for sixty (60) or more consecutive days or more than ninety (90) days during any three hundred sixty-five (365) day period, as determined by a duly licensed physician. If the Executive suffers a Permanent Disability during the Employment Period, the Company may give to the Executive written notice, in accordance with Section 12(b), of its intention to terminate the Executive's employment. In such event, the Executive's employment with the Company shall terminate effective on the thirtieth (30th) day after the Executive's receipt of such notice by the Company, provided that, within the thirty (30) days after such receipt, the Executive shall not have returned to full-time performance of the Executive's duties. The Executive shall fully cooperate in connection with the determination of whether a Permanent Disability exists.

(b) *Cause*. The Company may terminate the Executive's employment during the Employment Period for Cause. For purposes of this Agreement, "*Cause*" shall mean, as determined in good faith by a unanimous vote (excluding the Executive if he is then a member of the Board) of the Board at a meeting of the Board held for such purpose, and where the Executive and the Executive's counsel had an opportunity (on at least 15 days prior notice) to be heard before the Board, the Executive's:

(i) conviction, plea of guilty or no contest to any felony;

(ii) gross negligence or willful misconduct in the performance of the Executive's duties;

(iii) drug addiction or habitual intoxication;

(iv) commission of fraud, embezzlement, misappropriation of funds, breach of fiduciary duty, material violation of law or a material act of dishonesty against the Company, in each case that the Board determines was willful;

(v) material and continued breach of this Agreement, after notice for substantial performance is delivered by the Company in writing that identifies in reasonable detail the manner in which the Company believes the Executive is in breach of this Agreement;

(vi) willful material breach of Company policy or code of conduct; or

(vii) willful and continued failure to substantially perform his duties hereunder (other than such failure resulting from the Executive's incapacity due to physical or mental illness);

provided, however, that in each case the Company shall provide the Executive with written notice that an event constituting Cause has occurred (such notice to be provided within sixty (60) days of the initial occurrence of such event) and specifying the details of such event. With respect to any events described under Sections 3(b)(ii), (v), (vi) or (vii) above, the Executive shall be given thirty (30) days from his receipt of written notice to cure such events. If the Executive cures an event during such period that would otherwise constitute Cause, then the Company will have no right to terminate the Executive's employment for Cause. For purposes of this provision, no act or omission on the part of the Executive shall be considered "willful" unless it is done or omitted not in good faith or without reasonable belief that the act or omission was in the best interests of the Company. Any act or omission by the Executive based upon a resolution duly adopted by the Board or advice of counsel for the Company shall be conclusively presumed to have been done or omitted in good faith and in the best interests of the Company. This Section 3(b) shall not prevent the Executive from challenging whether the Board acted in good faith in determining that Cause exists or that the Executive has failed to cure any act (or failure to act) that purportedly formed the basis for the Board's determination in accordance with the procedures set forth in Section 10. In addition, and for the avoidance of doubt, the burden of proof regarding the existence of Cause shall be on the Company.

(c) *Good Reason.* The Executive may terminate the Executive's employment during the Employment Period for Good Reason. For purposes of this Agreement, "Good Reason" shall mean the occurrence of any of the following events without the Executive's written consent:

(i) a material diminution in the Executive's base compensation;

(ii) a material diminution in the Executive's authority, duties or responsibilities;

(iii) the Executive no longer reports directly to the Board;

(iv) any other action or inaction that constitutes a material breach by the Company of this Agreement; or

(v) any requirement that the Executive relocate or maintain his Principal Location more than fifty (50) miles from New York, New York;

provided, however, that in each case the Executive must provide the Company with written notice that an event constituting Good Reason has occurred (such notice to be provided within sixty (60) days of the initial occurrence of such event) and specifying the details of such event. With respect to any events described under Section 3(c)(i), (ii), (iv) or (v) above, the Company shall be given thirty (30) days from its receipt of written notice to cure such events. If the Company cures an event during such period that would otherwise constitute Good Reason, then the Executive will have no right to terminate his employment for Good Reason. Following the occurrence of a Change in Control (as defined below), any claim by the Executive that Good Reason exists shall be presumed to be valid and correct unless an AAA arbitrator determines, in accordance with Section 10, that the Company has established by clear and convincing evidence that Good Reason does not exist. A termination of the Executive's

employment for Good Reason in accordance with this Section 3(c) is intended to be treated as an involuntary separation from service for purposes of Section 409A of the Internal Revenue Code of 1986, as amended (the "*Code*").

(d) *Without Cause.* Subject to the provisions of this Agreement, the Company shall have the right to terminate the Executive's employment hereunder without Cause by providing the Executive with sixty (60) days' prior written Notice of Termination, and such termination shall not in and of itself be, nor shall it be deemed to be, a breach of this Agreement.

(e) *Without Good Reason.* The Executive will have the right to voluntarily terminate his employment hereunder without Good Reason by providing the Company with sixty (60) days' prior written Notice of Termination, and such voluntary termination shall not in and of itself be, nor shall it be deemed to be, a breach of this Agreement.

(f) *Notice of Termination.* Any termination by the Company or by the Executive shall be communicated by providing Notice of Termination to the other party hereto given in accordance with Section 12(b). For purposes of this Agreement, a "*Notice of Termination*" means a written notice which (i) indicates the specific termination provision in this Agreement relied upon, (ii) to the extent applicable, sets forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of the Executive's employment under the provision so indicated, and (iii) the contemplated date of termination.

4. **Obligations of the Company upon Termination.**

(a) *Non-Change in Control Termination (Other than Non-Renewal).* If (1) during the Employment Period, the Company shall terminate the Executive's employment without Cause (and other than upon the Executive's death or Permanent Disability) or (2) during the Employment Period, the Executive shall terminate his employment for Good Reason, the Company shall have no further obligations to the Executive except as follows:

(i) the Company shall pay or provide the Executive, to the extent not theretofore paid, as soon as practicable after the date of termination (but in no event later than 60 days after the date of termination): (A) accrued Annual Base Salary and vacation pay through the date of termination; (B) any reimbursement to which the Executive is entitled pursuant to Company policy, but which was not reimbursed prior to the date of termination; and (C) any other earned but unpaid outstanding compensatory arrangements ((A), (B) and (C)), together, the "*Accrued Benefits*");

(ii) the Company shall pay the Executive at the normally scheduled time an amount equal to the product of (x) the Target Bonus Amount multiplied by (y) a fraction, the numerator of which is the number of days of during such calendar year that the Executive was employed by the Company and the denominator of which is 365 (the "*Prorated Bonus*");

(iii) the Company shall pay the Executive, on the 60th day following the date of termination, a lump sum amount equal to the product of one times (lx) the sum of (A) the Annual Base Salary (which shall be the Annual Base Salary prior to any

reduction if the termination is for Good Reason because of a reduction in the Annual Base Salary) plus (B) the Target Bonus Amount; and

(iv) (A) all prior share Awards (as defined in the Incentive Plan or its predecessor), granted to Executive pursuant to any agreement(s) entered into prior to the Effective Date between Executive and the Company to the extent outstanding as of the date of termination that are subject to forfeiture on the date of termination shall fully vest and become non-forfeitable; provided, that any such Awards that are subject to performance-based vesting restrictions or conditions shall instead be treated in accordance with clause (C) of this Section 4(a)(iv), (B) all outstanding Time Vesting LTIP Awards, if any, that are subject to forfeiture on the date of termination shall fully vest and become non-forfeitable, and (C) all outstanding Performance Vesting LTIP Awards, if any, that are subject to forfeiture on the date of termination shall remain outstanding and continue to vest in accordance with the terms and conditions of the grant of the applicable equity award as if Executive's employment had continued through the date on which the performance metrics are measured (and the Company shall take any action that is necessary to ensure that such equity awards remain outstanding under the Incentive Plan), and at such time such equity awards shall either be vested or forfeited based on the achievement of the applicable performance metrics (the "*Continued Eligibility for Vesting*").

The amounts payable or to be provided under this Section 4(a) shall be in lieu of any amounts that would otherwise be paid or provided under Section 4(b), Section 4(c) and Section 4(d).

(b) *Non-Renewal.* If the Executive's employment is terminated based on the Company electing to not renew or extend the Employment Period on the fifth (5th) anniversary, or any subsequent anniversary, of the Effective Date, the Company shall have no further obligations to the Executive except as follows:

(i) the Accrued Benefits;

(ii) the Prorated Bonus; and

(iii) (A) all outstanding Time Vesting LTIP Awards, if any, that are subject to forfeiture on the date of termination shall fully vest and become non-forfeitable, and (B) the Continued Eligibility for Vesting.

The amounts payable or to be provided under this Section 4(b) shall be in lieu of any amounts that would otherwise be paid or provided under Section 4(a), Section 4(c) and Section 4(d).

(c) *Termination Because of Death or Permanent Disability.* If, during the Employment Period, the Executive's employment terminates because the Executive dies or as a result of Permanent Disability, the Company shall have no further obligations to the Executive except as follows:

(i) the Accrued Benefits;

(ii) the Prorated Bonus; and

(iii) (A) all outstanding Time Vesting LTIP Awards, if any, that are subject to forfeiture on the date of termination shall fully vest and become non-forfeitable, and (B) the Continued Eligibility for Vesting.

The amounts payable or to be provided under this Section 4(c) shall be in lieu of any amounts that would otherwise be paid or provided under Section 4(a), Section 4(b) and Section 4(d).

(d) *Change in Control Termination.* If, during the Employment Period, the Company shall terminate the Executive's employment without Cause (and other than upon the Executive's death or Permanent Disability), or if the Executive shall terminate his employment for Good Reason, in either case, in connection with, or within twelve (12) months following, a Change in Control (any such termination of employment, a "*Change in Control Termination*"), the Company shall have no further obligations to the Executive except as follows:

(i) the Accrued Benefits;

(ii) the Prorated Bonus;

(iii) the Company shall pay the Executive, on the 60th day following the date of termination, a lump sum amount equal to the product of two times (2x) the sum of (A) the Annual Base Salary (which shall be the Annual Base Salary prior to any reduction if the termination is for Good Reason because of a reduction in the Annual Base Salary) plus (B) the Target Bonus Amount; and

(iv) (A) all prior share Awards granted to Executive pursuant to any agreement(s) entered into prior to the Effective Date between Executive and the Company to the extent outstanding as of the date of termination that are subject to forfeiture on the date of termination shall fully vest and become non-forfeitable; provided, that any such Awards that are subject to performance-based vesting restrictions or conditions shall instead be treated in accordance with clause (C) of this Section 4(d)(iv); (B) all outstanding Time Vesting LTIP Awards, if any, that are subject to forfeiture on the date of termination shall fully vest and become non-forfeitable, and (C) all outstanding Performance Vesting LTIP Awards, if any, that are subject to forfeiture on the date of termination shall fully and immediately vest and become non-forfeitable at the greater of (1) one hundred percent (100%) of the number of shares of Common Stock granted pursuant to each such award, or (2) the performance level that has been achieved as of the date of termination.

The amounts payable or to be provided under this Section 4(d) shall be in lieu of any amounts that would otherwise be paid or provided under Section 4(a), Section 4(b) and Section 4(c).

(e) *Condition*. The Company shall not be required to make the payments and provide the benefits specified in Sections 4(a)(ii), 4(a)(iii), 4(a)(iv), 4(b)(ii), 4(b)(iii), 4(c)(ii), 4(c)(iii), 4(d)(ii), 4(d)(iii) or 4(d)(iv) hereof unless, prior to payment, the parties hereto (or the Executive's estate in the event of Executive's death) have entered into a release substantially in the form attached hereto as Exhibit B (for which the applicable seven-day revocation period has expired), prior to the 60th day following the date of termination, under

which the Executive releases the Company, its Affiliates and their officers, directors and employees from all liability (other than the payments and benefits under this Agreement); provided, that if the time period for executing and returning the release begins in one taxable year and ends in a second taxable year, any payments shall not commence until the second taxable year. In the event that such release is not executed and delivered to the Company in accordance with this Section 4(e) prior to the 60th day following the date of termination (with the applicable seven-day revocation period having expired), the Executive shall forfeit the payments and benefits specified in Sections 4(a)(ii), 4(a)(iii), 4(a)(iv), 4(b)(ii), 4(b)(iii), 4(c)(ii), 4(c)(iii), 4(d)(ii), 4(d)(iii) or 4(d)(iv) hereof, as applicable.

(f) *Resignation from Certain Directorships*. Following the Employment Period or the termination of the Executive's employment for any reason, if and to the extent requested by the Board, the Executive agrees to resign from all fiduciary positions (including as trustee) and from all other offices and positions he holds with the Company and any of its Affiliates; provided, however, that if the Executive refuses to tender his resignation after the Board has made such request, then the Board shall be empowered to tender the Executive's resignation from such offices and positions.

5. **Certain Definitions.**

(a) For purposes of this Agreement, "*Change in Control*" shall mean a "Change of Control," as defined in the Incentive Plan; provided, that notwithstanding anything to the contrary in the Incentive Plan or this Agreement, any transaction with Pershing Square Capital Management, L.P. or any of its Affiliates shall not be deemed to be a Change in Control, unless otherwise determined by the Board. For the avoidance of doubt, and notwithstanding anything to the contrary in the Incentive Plan or this Agreement, a transaction or series of transactions in which Seaport becomes a separate and independently traded company on a nationally recognized exchange shall not constitute a Change in Control for purposes of this Agreement.

(b) For purposes of this Agreement, "*Affiliate*" means, with respect to any Person, (A) if such Person is not an individual, any Person directly or indirectly controlling or controlled by or under direct or indirect common control with such Person, where "control" means the possession, directly or indirectly, of the power to direct the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise or any entity in which such Person has a substantial equity interest, and (B) if such Person is an individual, a spouse of such Person, or any child or parent of such Person. For purposes of this Agreement, "*Person*" means any individual, partnership, corporation, limited liability company, association, business trust, joint venture, business entity or other entity of any kind or nature, including any business unit of such Person.

6. **No Mitigation**. In no event shall the Executive be obligated to seek or obtain other employment after the date of termination, or take any other action by way of mitigation of the amounts payable to the Executive under any of the provisions of this Agreement, and such amounts shall not be reduced, whether or not the Executive obtains other employment. The Company may offset any amounts that it owes to the Executive by any amounts that the Executive owes to the Company or its Affiliates; provided that, in no event, shall any payment

under this Agreement that constitutes "nonqualified deferred compensation" for purposes of Section 409A of the Code be subject to offset by any amount unless such offset is expressly permitted under Section 409A of the Code.

7. **Potential Reductions**.

(a) Notwithstanding any other provisions in this Agreement, in the event that any payment or benefit received or to be received by the Executive (including, without limitation, any payment or benefit received in connection with a Change in Control or the termination of the Executive's employment, whether pursuant to the terms of this Agreement or any other plan, program, arrangement or agreement) (all such payments and benefits, together, the "*Total Payments*") would be subject (in whole or part), to any excise tax imposed under Section 4999 of the Code, or any successor provision thereto (the "*Excise Tax*"), then, after taking into account any reduction in the Total Payments provided by reason of Section 280G of the Code in such other plan, program, arrangement or agreement, the Company will reduce the Executive's payments and/or benefits under this Agreement, to the extent necessary so that no portion of the Total Payments is subject to the Excise Tax (but in no event to less than zero), in the following order: (i) any cash severance amount, as described in Sections 4(d)(ii) and 4(d)(iii); and (ii) any acceleration of outstanding equity compensation, as described in Section 4(d)(iv) hereof (the payments and benefits set forth in clauses (i) through (ii) of this Section 7(a), together, the "*Potential Payments*"); provided, however, that the Potential Payments shall only be reduced if (A) the net amount of such Total Payments, as so reduced (and after subtracting the net amount of federal, state and local income taxes on such reduced Total Payments and after taking into account the phase out of itemized deductions and personal exemptions attributable to such reduced Total Payments), is greater than or equal to (B) the net amount of such Total Payments without such reduction (but after subtracting the net amount of federal, state and local income taxes on such Total Payments and the amount of Excise Tax to which the Executive would be subject in respect of such unreduced Total Payments and after taking into account the phase out of itemized deductions and personal exemptions attributable to such unreduced Total Payments). For purposes of determining whether and the extent to which the Total Payments will be subject to the Excise Tax: (i) no portion of the Total Payments the receipt or enjoyment of which the Executive shall have waived at such time and in such manner as not to constitute a "payment" within the meaning of Section 280G(b) of the Code shall be taken into account; (ii) no portion of the Total Payments shall be taken into account which does not constitute a "parachute payment" within the meaning of Section 280G(b)(2) of the Code (including, without limitation, by reason of Section 280G(b)(4)(A) of the Code) and, in calculating the Excise Tax, no portion of such Total Payments shall be taken into account which constitutes reasonable compensation for services actually rendered, within the meaning of Section 280G(b)(4)(B) of the Code, in excess of the "base amount" (as set forth in Section 280G(b)(3) of the Code) that is allocable to such reasonable compensation; and (iii) the value of any non-cash benefit or any deferred payment or benefit included in the Total Payments shall be determined by in accordance with the principles of Sections 280G(d)(3) and (4) of the Code.

(b) All determinations required to be made under this Section 7, including whether an Excise Tax would otherwise be imposed, whether the Total Payments shall

be reduced, the amount of any such reduction and the assumptions to be utilized in arriving at such determinations not expressly provided for herein, shall be made by an independent, nationally recognized accounting firm or compensation consulting firm mutually acceptable to the Company and Executive (the "*Determination Firm*") which shall provide detailed supporting calculations both to the Company and Executive within 15 business days of the receipt of notice from the Company that a payment is due to be made hereunder, or such earlier time as is requested by the Executive. All reasonable fees and expenses of the Determination Firm shall be borne solely by the Company. Any determination by the Determination Firm shall be binding upon the Company and Executive, absent manifest error. As a result of the uncertainty in the application of Section 4999 of the Code at the time of the initial determination by the Determination Firm hereunder, it is possible that payments which Executive was entitled to, but did not receive as a result of application of Section 7, could have been made without the imposition of the Excise Tax ("*Underpayment*"), consistent with the calculations required to be made hereunder. In such event, the Determination Firm shall determine the amount of the Underpayment that has occurred and any such Underpayment shall be promptly paid by the Company to or for the benefit of Executive but no later than March 15 of the year after the year in which the Underpayment is determined to exist, which is when the legally binding right to such Underpayment arises.

(c) The fact that the Executive's right to payments or benefits may be reduced by reason of the limitations contained in this Section 7 shall not of itself limit or otherwise affect any other rights of the Executive under this Agreement.

8. **Restrictive Covenants.**

(a) *Non-Solicit*. During the Employment Period, and for a twelve (12) month period after the Executive's employment is terminated for any reason, the Executive shall not (except in connection with the performance of his duties for the Company) in any manner, directly or indirectly (without the prior written consent of the Company) Solicit (as defined below) anyone who is then an employee or independent contractor of the Company or its Affiliates or who was an employee or independent contractor of the Company or its Affiliates within the prior twelve (12) months to resign from the Company or its Affiliates or to apply for or accept employment with any other business or enterprise. For purposes of this Agreement, "*Solicit*" means any direct or indirect communication of any kind, regardless of who initiates it, that in any way invites, advises, encourages or requests any person to take or refrain from taking any action.

(b) *Confidential Information*. The Executive hereby acknowledges that, as an employee of the Company, he will be making use of, acquiring and adding to confidential information of a special and unique nature and value relating to the Company and its Affiliates and their strategic plan and financial operations. The Executive further recognizes and acknowledges that all confidential information is the exclusive property of the Company and its Affiliates, is material and confidential, and is critical to the successful conduct of the business of the Company and its Affiliates. Accordingly, the Executive hereby covenants and agrees that he will use confidential information for the benefit of the Company and its Affiliates only and shall not at any time, directly or indirectly, during the term of this

Agreement and thereafter divulge, reveal or communicate any confidential information to any person, firm, corporation or entity whatsoever, or use any confidential information for his own benefit or for the benefit of others. Notwithstanding the foregoing, the Executive shall be authorized to disclose confidential information (i) as may be required by law or legal process after providing the Company with prior written notice and an opportunity to respond to such disclosure (unless such notice is prohibited by law), or (ii) with the prior written consent of the Company. Notwithstanding anything to the contrary in this Agreement, the Executive shall not be prohibited from: (i) filing and, as provided for under Section 21F of the Securities Exchange Act of 1934, as amended (the "*Exchange Act*") maintaining the confidentiality of a claim with a government agency that is responsible for enforcing a law; (ii) providing confidential information to the extent required by law or legal process or permitted by Section 21F of the Exchange Act; (iii) cooperating, participating or assisting in any government or regulatory entity investigation or proceeding; or (iv) receiving an award for information provided to any government agency that is responsible for enforcing the law.

(c) *Non-Competition*. During the Employment Period, and for a twelve (12) month period after the Executive's employment is terminated for any reason, the Executive shall not directly or indirectly (whether for compensation or otherwise) own or hold any interest in, manage, operate, control, consult with, render services for, or in any manner participate in any business that is directly competitive with the business of the Company, either as a general or limited partner, proprietor, shareholder, officer, director, agent, employee, consultant, trustee, Affiliate or otherwise. Nothing herein shall prohibit the Executive from being a passive owner of not more than 2% of the outstanding securities of any publicly traded company engaged in the business of the Company.

(d) *Survival*. Any termination of the Executive's employment or of this Agreement shall have no effect on the continuing operation of this Section 8.

(e) *Non-Disparagement*. During the Employment Period and thereafter, the Executive shall not, in any manner, directly or indirectly through another person or entity, knowingly make any false or any disparaging or derogatory statements about HHH or Seaport, any of their Affiliates or any of their employees, officers or directors. HHH and Seaport, in turn, agrees that they will not make, in any authorized corporate communications to third parties, and they will direct the members of the respective Boards and the executive officers of the Company, not to in any manner, directly or indirectly through another person or entity, knowingly make any false or any disparaging or derogatory statements about the Executive; provided, however, that nothing herein shall prevent either party from giving truthful testimony or from otherwise making good faith statements in connection with legal investigations or other proceedings.

(f) *Enforcement*. If, at the time of enforcement of this Section 8, a court of competent jurisdiction holds that the restrictions stated herein are unreasonable under circumstances then existing, the parties hereto agree that the maximum period, scope or geographical area reasonable under such circumstances shall be substituted for the stated period, scope or area. Because the Executive's services are unique and because the Executive has access to confidential information, the parties hereto agree that money damages would be

an inadequate remedy for any breach of this Section 8. Therefore, in the event of a breach or threatened breach of this Agreement, the Company or its successors or assigns may, in addition to other rights and remedies existing in their favor, apply to any court of competent jurisdiction for specific performance and/or injunctive or other relief in order to enforce, or prevent any violations of, the provisions hereof.

9. **Successors.**

(a) This Agreement is personal to the Executive and without the prior written consent of the Company shall not be assignable by the Executive otherwise than by will or the laws of descent and distribution. This Agreement shall inure to the benefit of and be enforceable by the Executive's legal representatives.

(b) This Agreement shall inure to the benefit of and be binding upon the Company and its successors and assigns.

(c) The Company will require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the Company to assume expressly and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform it if no such succession had taken place. Upon the occurrence of a Change in Control, the Company will similarly require the acquiring entity to assume the Company's obligations under this Agreement. As used in this Agreement, "*Company*" shall mean the Company as defined above and any successor to its business and/or assets (or the acquiring entity upon the occurrence of a Change in Control as described and defined above).

(d) The Company may assign this Agreement to Seaport effective as of the date Seaport begins trading on a nationally recognized exchange without the consent of the Executive.

10. **Disputes.**

(a) *Jurisdiction and Choice of Forum*. Except as set forth in Section 8(f), all disputes directly or indirectly arising under or related to the employment of the Executive or the provisions of this Agreement shall be settled by final and binding arbitration under the rules of the American Arbitration Association ("*AAA*") then in effect, such arbitration shall be held in New York, New York, as the sole and exclusive remedy of the parties. The arbitration shall be heard by one (1) AAA arbitrator who shall be selected by AAA. The arbitrator shall have the authority to order expedited discovery and shall set a hearing within ninety (90) days following the arbitrator's appointment as arbitrator by the AAA. The arbitrator shall render an award and decision not later than thirty (30) days following the closing of arbitration hearing. Judgment on any arbitration award may be entered in any court of competent jurisdiction. The prevailing party in any arbitration hearing shall also be entitled to recover his/its costs and attorneys' fees.

(b) *Governing Law*. This Agreement and any disputes, claims or defenses arising under it will be governed by and construed in accordance with the law of the State of Delaware applicable to contracts made and to be performed entirely within that State.

11. **Section 409A of the Code.**

(a) *Compliance*. The intent of the parties is that payments and benefits under this Agreement are either exempt from or comply with Section 409A of the Code ("*Section 409A*") and, accordingly, to the maximum extent permitted, this Agreement shall be interpreted to that end. The parties acknowledge and agree that the interpretation of Section 409A and its application to the terms of this Agreement is uncertain and may be subject to change as additional guidance and interpretations become available. In no event whatsoever shall the Company be liable for any tax, interest or penalties that may be imposed on the Executive by Section 409 A or any damages for failing to comply with Section 409A.

(b) *Six Month Delay for Specified Employees*. If any payment, compensation or other benefit provided to the Executive in connection with his employment termination is determined, in whole or in part, to constitute "*nonqualified deferred compensation*" within the meaning of Section 409A and the Executive is a "*specified employee*" as defined in Section 409A, no part of such payments shall be paid before the day that is six months plus one day after the Executive's date of termination or, if earlier, the Executive's death (the "*New Payment Date*"). The aggregate of any payments that otherwise would have been paid to the Executive during the period between the date of termination and the New Payment Date shall be paid to the Executive in a lump sum on such New Payment Date. Thereafter, any payments that remain outstanding as of the day immediately following the New Payment Date shall be paid without delay over the time period originally scheduled, in accordance with the terms of this Agreement.

(c) *Termination as a Separation from Service*. A termination of employment shall not be deemed to have occurred for purposes of any provision of this Agreement providing for the payment of any amounts or benefits subject to Section 409A upon or following a termination of employment until such termination is also a "*separation from service*" within the meaning of Section 409A and for purposes of any such provision of this Agreement, references to a "*resignation,*" "*termination,*" "*terminate,*" "*termination of employment*" or like terms shall mean separation from service.

(d) *Payments for Reimbursements and In-Kind Benefits*. All reimbursements for costs and expenses under this Agreement shall be paid in no event later than the end of the calendar year following the calendar year in which the Executive incurs such expense. With regard to any provision herein that provides for reimbursement of costs and expenses or in-kind benefits, except as permitted by Section 409A, (i) the right to reimbursement or in-kind benefits shall not be subject to liquidation or exchange for another benefit, and (ii) the amount of expenses eligible for reimbursement or in-kind benefits provided during any taxable year shall not affect the expenses eligible for reimbursement or in-kind benefits to be provided in any other taxable year.

(e) *Payments within Specified Number of Days*. Whenever a payment under this Agreement specifies a payment period with reference to a number of days (e.g., "payment shall be made within 30 days following the date of termination"), the actual date of payment within the specified period shall be within the sole discretion of the Company.

(f) *Installments as Separate Payment*. If under this Agreement, an amount is paid in two or more installments, for purposes of Section 409A, each installment shall be treated as a separate payment.

12. **Miscellaneous.**

(a) *Amendment*. This Agreement may not be amended or modified otherwise than by a written agreement executed by the parties hereto or their respective successors and legal representatives.

(b) *Notices*. Whenever any notice is required or permitted hereunder, such notice must be in writing and personally delivered, mailed by certified or registered mail, return receipt requested, or by email transmission. The parties agree that any notices shall be given at the following addresses; provided that the parties may change, at any time and from time to time, by written notice to the other, the address which it or he had previously specified for receiving notices:

If to the Executive:

at the Executive's primary residential address
as shown on the records of the Company

Email:

If to the Company:

at the Company's corporate headquarters
Attention: Office of the General Counsel

with a copy to:

William A. Ackman, Chairman of the Board
787 11th Avenue, 9th Floor
New York, NY 10019

or to such other address as either party shall have furnished to the other in writing in accordance herewith. Notice and communications shall be effective when actually received by the addressee.

(c) *Severability*. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement.

(d) *Tax Withholding*. The Company may withhold from any amounts payable under this Agreement such federal, state, local or foreign taxes as shall be required to be withheld pursuant to any applicable law or regulation.

(e) *Compliance with Dodd-Frank*. All payments under this Agreement, if and to the extent they are subject to the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "*Dodd-Frank Act*"), shall be subject to any incentive compensation policy

established from time to time by the Company to comply with the Dodd-Frank Act. The Executive acknowledges and agrees that the Company may from time to time establish incentive compensation policies that may apply to this Agreement and the awards contemplated hereunder and that applicable sections of this Agreement and any related documents shall be deemed superseded by and subject to the terms and conditions of any such incentive compensation policies from and after the effective date thereof to the extent required by securities and/or exchange rules and regulations.

(f) *No Waiver*. The Executive's or the Company's failure to insist upon strict compliance with any provision of this Agreement or the failure to assert any right the Executive or the Company may have hereunder, including, without limitation, the Company's right to terminate the Executive for Cause pursuant to Section 3 (subject to Executive's right to challenge such determination in accordance with the provisions set forth in Section 3), shall not be deemed to be a waiver of such provision or right or any other provision or right of this Agreement.

(g) *No Strict Construction*. It is the parties' intention that this Agreement not be construed more strictly with regard to the Executive or the Company.

(h) *Entire Agreement*. This Agreement shall supersede any other employment or severance agreement or similar arrangements between the parties, and shall supersede any prior understandings, agreements or representations by or among the parties, written or oral, whether in term sheets, presentations or otherwise, relating to the subject matter hereof. In the event of any inconsistency or conflict between any terms, definitions or conditions of this Agreement and the terms, definitions or conditions of any other agreement, the terms, definitions and conditions of this Agreement shall govern and control.

(i) *Counterparts*. This Agreement may be signed in counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument.

(j) *Section References;Captions*. Any reference to a “Section” herein is a reference to a section of this Agreement unless otherwise stated. The captions of this Agreement are not part of the provisions hereof and shall have no force or effect.

IN WITNESS WHEREOF, the Executive has hereunto set the Executive's hand and, pursuant to the authorization from the Board or other duly authorized governing body, the

Company has caused these presents to be executed in its name on its behalf, all effective as of the Effective Date.

EXECUTIVE:

/s/ Matthew Partridge
Matthew Partridge

HOWARD HUGHES HOLDINGS INC.:

By /s/ Anton Nikodemus
Chairman & CEO SEAPORT ENTERTAINMENT
ANTON NIKODEMUS

EMPLOYMENT AGREEMENT

This Employment Agreement (this "*Agreement*"), dated May 1, 2024, is entered into by and between Howard Hughes Holdings Inc., a Delaware corporation ("*HHH*"), and Lucy Fato (the "*Executive*").

RECITALS

WHEREAS, the parties desire to enter into and be bound by this Agreement.

WHEREAS, the Executive shall initially be employed by HHH, but as soon as a to-be-formed company with the working name of "Seaport Entertainment Corp." ("Seaport") is publicly listed on a nationally recognized exchange, she will become employed by Seaport.

WHEREAS, during the time that Executive is employed by HHH, the term "Company" in this Agreement shall mean HHH and the term "Board of Directors" shall mean the Board of Directors of HHH.

WHEREAS, during the time that Executive is employed by Seaport, the term "Company" in this Agreement shall mean Seaport and the term "Board of Directors" shall mean the Board of Directors of Seaport.

NOW THEREFORE, IT IS HEREBY AGREED AS FOLLOWS:

1. **Employment Period.** The Company hereby agrees to employ the Executive, and the Executive hereby agrees to work in the employ of the Company, subject to the terms and conditions, rights and obligations of this Agreement, for the period commencing no later than May 31, 2024 (the "Effective Date") and ending, unless terminated earlier pursuant to Section 3 hereof, on the fifth (5th) anniversary of the Effective Date (the "*Employment Period*"). No later than seven (7) days after Executive's employment begins, the parties shall append the attached Exhibit A to the Agreement stating the agreed upon Effective Date. Thereafter, the Employment Period shall renew automatically for additional periods of one (1) year, unless either party provides the other party with written notice of non-renewal at least sixty (60) days prior to the date of automatic renewal. Notwithstanding anything herein to the contrary, this Agreement shall become null and void, *ab initio,* in the event the Executive does not commence employment with the Company, for any reason, on or prior to the Effective Date.

2. **Terms of Employment.**

(a) *Position and Duties.*

(i) During the Employment Period, the Executive shall serve as General Counsel & Corporate Secretary of HHH Seaport Division, and on the date Seaport begins being publicly listed on a nationally recognized exchange will become General Counsel & Corporate Secretary of Seaport. Executive's job duties and responsibilities as General Counsel & Corporate Secretary of HHH Seaport Division and General Counsel & Corporate Secretary of Seaport include legal oversight of all matters related to the Seaport region, including the Jean George-related joint venture and related projects, the Aviators minor league baseball team, the Fashion Show air rights, and legal matters related to the Seaport Board of Directors with such authority, duties and responsibilities as are normally attendant to such position and such other duties commensurate with this position that may be reasonably assigned by the Company's Board of

Directors (the "*Board*"). During her employment at HHH, the Executive shall report to the CEO of Seaport Entertainment.

(ii) During the Employment Period, and excluding any periods of vacation and sick leave to which the Executive is entitled, the Executive agrees to devote all of her business attention and time to the business and affairs of the Company, and to use her reasonable best efforts to perform such responsibilities. During the Employment Period, it shall not be a violation of this Agreement for the Executive to (A) serve on civic or charitable boards or committees, (B) manage personal and family investments, (C) engage in lectures or teaching, and (D) serve as a director on a for-profit private or public company so long the CEO and Board approve, and so long as any such activities referenced in Section 2(a)(ii)(A)-(D) do not, individually or in the aggregate, interfere with the discharge of the Executive's responsibilities pursuant to this Agreement; provided, however, for the avoidance of doubt, during the Employment Period, the Executive shall not hold any other management positions at other companies or any other entities.

(b) *Compensation.*

(i) *Annual Base Salary.* During the Employment Period, unless increased by the Board in its sole discretion, the Executive shall receive an annual base salary of FOUR HUNDRED TWENTY FIVE THOUSAND DOLLARS ($425,000) (the "*Annual Base Salary*"), payable in equal installments in accordance with the Company's normal payroll practice for its senior executives, subject to the Executive's continued employment with the Company.

(ii) *Annual Bonus.* Commencing in 2024, and continuing during each subsequent calendar year of the Employment Period, the Executive shall be eligible for an annual cash bonus (the "*Annual Bonus*") in the targeted amount of FIFTY PERCENT (50%) of Annual Base Salary (the "*Target Bonus Amount*"), which shall be awarded each year during the Employment Period by the Compensation Committee of the Board (the "*Compensation Committee*") based upon its evaluation of such performance measures and objectives as may be established by the Compensation Committee from time to time (the "*Annual Bonus Performance Metrics*"). The amount of the Annual Bonus that shall be paid to Executive each year shall be determined by the Compensation Committee based on the achievement of the Annual Bonus Performance Metrics; provided, however, that, if the Compensation Committee establishes a minimum overall performance goal that is required to be achieved for the Executive to be eligible to receive any Annual Bonus in respect of a calendar year, and that minimum overall goal is achieved for such calendar year, then the Annual Bonus for such calendar year shall be equal to at least FIFTY PERCENT (50%) of the Target Bonus Amount, but not more than ONE-HUNDRED AND FIFTY PERCENT (150%) of the Target Bonus Amount. The Annual Bonus for each year shall be paid to the Executive as soon as reasonably practicable following the end of such year and at the same time that other senior executives of the Company receive bonus payments, but in no event later than March 15 following the end of the calendar year to which such Annual Bonus relates.

(iii) *Annual Equity or Equity-Based Incentive Awards.* Commencing in 2024, and continuing during each subsequent calendar year of the Employment Period, the Executive shall be eligible to receive an annual equity award (the "*Annual LTIP Award*"), which shall be awarded each year during the Employment Period by the Compensation Committee based upon its evaluation of such performance measures and objectives as may be established by the Compensation Committee from time to time. The first Annual LTIP Award shall be

granted to the Executive on the date Seaport begins trading on a nationally recognized exchange. The Annual LTIP Award shall be a long-term equity or equity-based incentive award with an aggregate targeted grant value (with respect to the portion of the Annual LTIP Award that is subject to performance metrics, based on the achievement of the applicable performance metrics that cause the award to vest at the level of 100%, and without taking into account the probability of the award vesting at that level on the date of grant) on the date of grant equal to the target amount of FIFTY PERCENT (50%) of Annual Base Salary (the "*Target LTIP Award Amount*"), with the number of shares of the Company's common stock, par value $0.01 per share (the "*Common Stock*") subject to such Annual LTIP Award determined by dividing the aggregate grant value by the closing price per share of the Common Stock on a nationally recognized exchange or as otherwise provided for in the Incentive Plan on the date of grant, which shall be awarded each year by the Compensation Committee based on the achievement of the Annual Bonus Performance Metrics for the applicable year. The determination as to whether the performance goals have been achieved shall be made in the sole discretion of the Compensation Committee. The Annual LTIP Award shall be granted to the Executive at the same time that other senior executives of the Company are granted their annual equity or equity-based incentive awards but in no event later than March 15 following the end of the calendar year to which such Annual LTIP Award relates. Fifty percent (50%) of each Annual LTIP Award granted to the Executive shall provide for *pro rata* time vesting over three years in accordance with the terms of the applicable award agreement (the "*Time Vesting LTIP Award*") and the other fifty percent (50%) of such award shall provide for performance-based vesting (the "*Performance Vesting LTIP Award*"). All Annual LTIP Awards shall be subject to the terms and conditions of the Incentive Plan and any applicable award agreements thereunder. For purposes of this Agreement, "*Incentive Plan*" shall mean The Howard Hughes Corporation 2020 Equity Incentive Plan, as in effect from time to time (and any successor plan thereto applicable to Seaport).

(iv) *Indemnification.* Beginning on the Effective Date, the Company and the Executive will enter into an indemnification agreement on substantially the same terms as the indemnification agreements entered into by the Company and each of its directors, officers and senior executives. Thereafter, as promptly as practicable after Seaport begins being publicly listed on a nationally recognized exchange, the Company and the Executive will enter into an indemnification agreement on substantially the same terms as the indemnification agreements entered into by the Company and each of its directors, officers and senior executives.

(v) *Benefits.* During the Employment Period, except as otherwise expressly provided herein, the Executive shall be entitled to participate in all employee welfare benefit plans, practices, policies and programs and fringe benefits to the extent applicable generally and on a basis no less favorable than that provided to other senior officers of the Company, including, without limitation, health, medical, dental, vision, 401k, long-term disability and life insurance plans. The Executive shall be entitled to paid annual vacation totaling four (4) weeks per calendar year in accordance with the Company's vacation policy in effect from time to time. The executive will also be eligible to accrue 1 hour of paid Sick and Safe Leave ("SSL") for every 30 hours worked up to a maximum of 56 hours of SSL per calendar year.

(vi) *Expenses.* The Company shall reimburse the Executive for all reasonable and necessary expenses actually incurred by the Executive in connection with the business affairs

of the Company and the performance of the Executive's duties hereunder, in accordance with Company policy as in effect from time to time.

(vii) *Business Travel.* Notwithstanding the foregoing, to the extent that the Executive is required to travel during the Employment Period in connection with the Executive's duties and responsibilities hereunder, the Company shall, in accordance with Company policy as in effect from time to time, reimburse the Executive as follows: (i) for first class commercial air travel for the Executive (and the Executive's spouse, if the Executive's spouse's presence is required for Company events, consistent with the Company's general policies); and (ii) for first-class hotel accommodations.

3. **Termination of Employment.**

(a) *Death or Permanent Disability.* The Executive's employment shall terminate automatically upon the Executive's death or if the Executive suffers a Permanent Disability. For purposes of this Agreement, "*Permanent Disability*" means the inability of the Executive to perform the essential functions of her job with the Company by reason of a medically determinable physical or mental impairment that can be expected to last for sixty (60) or more consecutive days or more than ninety (90) days during any three hundred sixty-five (365) day period, as determined by a duly licensed physician. If the Executive suffers a Permanent Disability during the Employment Period, the Company may give to the Executive written notice, in accordance with Section 12(b), of its intention to terminate the Executive's employment. In such event, the Executive's employment with the Company shall terminate effective on the thirtieth (30th) day after the Executive's receipt of such notice by the Company, provided that, within the thirty (30) days after such receipt, the Executive shall not have returned to full-time performance of the Executive's duties. The Executive shall fully cooperate in connection with the determination of whether a Permanent Disability exists.

(b) *Cause.* The Company may terminate the Executive's employment during the Employment Period for Cause. For purposes of this Agreement, "*Cause*" shall mean, as determined in good faith by a unanimous vote (excluding the Executive if she is then a member of the Board) of the Board at a meeting of the Board held for such purpose, and where the Executive and the Executive's counsel had an opportunity (on at least 15 days prior notice) to be heard before the Board, the Executive's:

(i) conviction, plea of guilty or no contest to any felony;

(ii) gross negligence or willful misconduct in the performance of the Executive's duties;

(iii) drug addiction or habitual intoxication;

(iv) commission of fraud, embezzlement, misappropriation of funds, breach of fiduciary duty, material violation of law or a material act of dishonesty against the Company, in each case that the Board determines was willful;

(v) material and continued breach of this Agreement, after notice for substantial performance is delivered by the Company in writing that identifies in reasonable detail the manner in which the Company believes the Executive is in breach of this Agreement;

(vi) willful material breach of Company policy or code of conduct; or

(vii) willful and continued failure to substantially perform her duties hereunder (other than such failure resulting from the Executive's incapacity due to physical or mental illness);

provided, however, that in each case the Company shall provide the Executive with written notice that an event constituting Cause has occurred (such notice to be provided within sixty (60) days of the initial occurrence of such event) and specifying the details of such event. With respect to any events described under Sections 3(b)(ii), (v), (vi) or (vii) above, the Executive shall be given thirty (30) days from her receipt of written notice to cure such events. If the Executive cures an event during such period that would otherwise constitute Cause, then the Company will have no right to terminate the Executive's employment for Cause. For purposes of this provision, no act or omission on the part of the Executive shall be considered "willful" unless it is done or omitted not in good faith or without reasonable belief that the act or omission was in the best interests of the Company. Any act or omission by the Executive based upon a resolution duly adopted by the Board or advice of counsel for the Company shall be conclusively presumed to have been done or omitted in good faith and in the best interests of the Company. This Section 3(b) shall not prevent the Executive from challenging whether the Board acted in good faith in determining that Cause exists or that the Executive has failed to cure any act (or failure to act) that purportedly formed the basis for the Board's determination in accordance with the procedures set forth in Section 10. In addition, and for the avoidance of doubt, the burden of proof regarding the existence of Cause shall be on the Company.

(c) *Good Reason.* The Executive may terminate the Executive's employment during the Employment Period for Good Reason. For purposes of this Agreement, "Good Reason" shall mean the occurrence of any of the following events without the Executive's written consent:

(i) a material diminution in the Executive's base compensation;

(ii) a material diminution in the Executive's authority, duties or responsibilities;

(iii) any other action or inaction that constitutes a material breach by the Company of this Agreement; or

(iv) any requirement that the Executive relocate or maintain her Principal Location more than fifty (50) miles from New York, New York;

provided, however, that in each case the Executive must provide the Company with written notice that an event constituting Good Reason has occurred (such notice to be provided within sixty (60) days of the initial occurrence of such event) and specifying the details of such event. With respect to any events described under Section 3(c)(i), (ii), (iii) or (iv) above, the Company shall be given thirty (30) days from its receipt of written notice to cure such events. If the Company cures an event during such period that would otherwise constitute Good Reason, then the Executive will have no right to terminate her employment for Good Reason. Following the occurrence of a Change in Control (as defined below), any claim by the Executive that Good Reason exists shall be presumed to be valid and correct unless an AAA arbitrator determines, in accordance with Section 10, that the Company has established by clear and convincing evidence that Good Reason does not exist. A termination of the Executive's employment for Good Reason in accordance with this Section 3(c) is intended to be treated as an involuntary separation

from service for purposes of Section 409A of the Internal Revenue Code of 1986, as amended (the "*Code*").

(d) *Without Cause.* Subject to the provisions of this Agreement, the Company shall have the right to terminate the Executive's employment hereunder without Cause by providing the Executive with sixty (60) days' prior written Notice of Termination, and such termination shall not in and of itself be, nor shall it be deemed to be, a breach of this Agreement.

(e) *Without Good Reason.* The Executive will have the right to voluntarily terminate her employment hereunder without Good Reason by providing the Company with sixty (60) days' prior written Notice of Termination, and such voluntary termination shall not in and of itself be, nor shall it be deemed to be, a breach of this Agreement.

(f) *Notice of Termination.* Any termination by the Company or by the Executive shall be communicated by providing Notice of Termination to the other party hereto given in accordance with Section 12(b). For purposes of this Agreement, a "*Notice of Termination*" means a written notice which (i) indicates the specific termination provision in this Agreement relied upon, (ii) to the extent applicable, sets forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of the Executive's employment under the provision so indicated, and (iii) the contemplated date of termination.

4. **Obligations of the Company upon Termination.**

(a) *Non-Change in Control Termination (Other than Non-Renewal)*. If (1) during the Employment Period, the Company shall terminate the Executive's employment without Cause (and other than upon the Executive's death or Permanent Disability) or (2) during the Employment Period, the Executive shall terminate her employment for Good Reason, the Company shall have no further obligations to the Executive except as follows:

(i) the Company shall pay or provide the Executive, to the extent not theretofore paid, as soon as practicable after the date of termination (but in no event later than 60 days after the date of termination): (A) accrued Annual Base Salary and vacation pay through the date of termination; (B) any reimbursement to which the Executive is entitled pursuant to Company policy, but which was not reimbursed prior to the date of termination; and (C) any other earned but unpaid outstanding compensatory arrangements ((A), (B) and (C)), together, the "*Accrued Benefits*");

(ii) the Company shall pay the Executive at the normally scheduled time an amount equal to the product of (x) the Target Bonus Amount multiplied by (y) a fraction, the numerator of which is the number of days of during such calendar year that the Executive was employed by the Company and the denominator of which is 365 (the "*Prorated Bonus*");

(iii) the Company shall pay the Executive, on the 60th day following the date of termination, a lump sum amount equal to the product of one times (1x) the sum of (A) the Annual Base Salary (which shall be the Annual Base Salary prior to any reduction if the termination is for Good Reason because of a reduction in the Annual Base Salary) plus (B) the Target Bonus Amount; and

(iv) (A) all prior share Awards (as defined in the Incentive Plan or its predecessor), granted to Executive pursuant to any agreement(s) entered into prior to the

Effective Date between Executive and the Company to the extent outstanding as of the date of termination that are subject to forfeiture on the date of termination shall fully vest and become non-forfeitable; provided, that any such Awards that are subject to performance-based vesting restrictions or conditions shall instead be treated in accordance with clause (C) of this Section 4(a)(iv), (B) all outstanding Time Vesting LTIP Awards, if any, that are subject to forfeiture on the date of termination shall fully vest and become non-forfeitable, and (C) all outstanding Performance Vesting LTIP Awards, if any, that are subject to forfeiture on the date of termination shall remain outstanding and continue to vest in accordance with the terms and conditions of the grant of the applicable equity award as if Executive's employment had continued through the date on which the performance metrics are measured (and the Company shall take any action that is necessary to ensure that such equity awards remain outstanding under the Incentive Plan), and at such time such equity awards shall either be vested or forfeited based on the achievement of the applicable performance metrics (the "*Continued Eligibility for Vesting*").

The amounts payable or to be provided under this Section 4(a) shall be in lieu of any amounts that would otherwise be paid or provided under Section 4(b), Section 4(c) and Section 4(d).

(b) *Non-Renewal.* If the Executive's employment is terminated based on the Company electing to not renew or extend the Employment Period on the fifth (5th) anniversary, or any subsequent anniversary, of the Effective Date, the Company shall have no further obligations to the Executive except as follows:

(i) the Accrued Benefits;

(ii) the Prorated Bonus; and

(iii) (A) all outstanding Time Vesting LTIP Awards, if any, that are subject to forfeiture on the date of termination shall fully vest and become non-forfeitable, and (B) the Continued Eligibility for Vesting.

The amounts payable or to be provided under this Section 4(b) shall be in lieu of any amounts that would otherwise be paid or provided under Section 4(a), Section 4(c) and Section 4(d).

(c) *Termination Because of Death or Permanent Disability.* If, during the Employment Period, the Executive's employment terminates because the Executive dies or as a result of Permanent Disability, the Company shall have no further obligations to the Executive except as follows:

(i) the Accrued Benefits;

(ii) the Prorated Bonus; and

(iii) (A) all outstanding Time Vesting LTIP Awards, if any, that are subject to forfeiture on the date of termination shall fully vest and become non-forfeitable, and (B) the Continued Eligibility for Vesting.

The amounts payable or to be provided under this Section 4(c) shall be in lieu of any amounts that would otherwise be paid or provided under Section 4(a), Section 4(b) and Section 4(d).

(d) *Change in Control Termination.* If, during the Employment Period, the Company shall terminate the Executive's employment without Cause (and other than upon the Executive's death or

Permanent Disability), or if the Executive shall terminate her employment for Good Reason, in either case, in connection with, or within twelve (12) months following, a Change in Control (any such termination of employment, a "*Change in Control Termination*"), the Company shall have no further obligations to the Executive except as follows:

(i) the Accrued Benefits;

(ii) the Prorated Bonus;

(iii) the Company shall pay the Executive, on the 60th day following the date of termination, a lump sum amount equal to the product of two times (2x) the sum of (A) the Annual Base Salary (which shall be the Annual Base Salary prior to any reduction if the termination is for Good Reason because of a reduction in the Annual Base Salary) plus (B) the Target Bonus Amount; and

(iv) (A) all prior share Awards granted to Executive pursuant to any agreement(s) entered into prior to the Effective Date between Executive and the Company to the extent outstanding as of the date of termination that are subject to forfeiture on the date of termination shall fully vest and become non-forfeitable; provided, that any such Awards that are subject to performance-based vesting restrictions or conditions shall instead be treated in accordance with clause (C) of this Section 4(d)(iv); (B) all outstanding Time Vesting LTIP Awards, if any, that are subject to forfeiture on the date of termination shall fully vest and become non-forfeitable, and (C) all outstanding Performance Vesting LTIP Awards, if any, that are subject to forfeiture on the date of termination shall fully and immediately vest and become non-forfeitable at the greater of (1) one hundred percent (100%) of the number of shares of Common Stock granted pursuant to each such award, or (2) the performance level that has been achieved as of the date of termination.

The amounts payable or to be provided under this Section 4(d) shall be in lieu of any amounts that would otherwise be paid or provided under Section 4(a), Section 4(b) and Section 4(c).

(e) *Condition.* The Company shall not be required to make the payments and provide the benefits specified in Sections 4(a)(ii), 4(a)(iii), 4(a)(iv), 4(b)(ii), 4(b)(iii), 4(c)(ii), 4(c)(iii), 4(d)(ii), 4(d)(iii) or 4(d)(iv) hereof unless, prior to payment, the parties hereto (or the Executive's estate in the event of Executive's death) have entered into a release substantially in the form attached hereto as Exhibit B (for which the applicable seven-day revocation period has expired), prior to the 60th day following the date of termination, under which the Executive releases the Company, its Affiliates and their officers, directors and employees from all liability (other than the payments and benefits under this Agreement); provided, that if the time period for executing and returning the release begins in one taxable year and ends in a second taxable year, any payments shall not commence until the second taxable year. In the event that such release is not executed and delivered to the Company in accordance with this Section 4(e) prior to the 60th day following the date of termination (with the applicable seven-day revocation period having expired), the Executive shall forfeit the payments and benefits specified in Sections 4(a)(ii), 4(a)(iii), 4(a)(iv), 4(b)(ii), 4(b)(iii), 4(c)(ii), 4(c)(iii), 4(d)(ii), 4(d)(iii) or 4(d)(iv) hereof, as applicable.

(f) *Resignation from Certain Directorships.* Following the Employment Period or the termination of the Executive's employment for any reason, if and to the extent requested by the Board, the Executive agrees to resign from all fiduciary positions (including as trustee) and from all other

offices and positions she holds with the Company and any of its Affiliates; provided, however, that if the Executive refuses to tender her resignation after the Board has made such request, then the Board shall be empowered to tender the Executive's resignation from such offices and positions.

5. **Certain Definitions.**

(a) For purposes of this Agreement, "*Change in Control*" shall mean a "Change of Control," as defined in the Incentive Plan; provided, that notwithstanding anything to the contrary in the Incentive Plan or this Agreement, any transaction with Pershing Square Capital Management, L.P. or any of its Affiliates shall not be deemed to be a Change in Control, unless otherwise determined by the Board. For the avoidance of doubt, and notwithstanding anything to the contrary in the Incentive Plan or this Agreement, a transaction or series of transactions in which Seaport becomes a separate and independently traded company on a nationally recognized exchange shall not constitute a Change in Control for purposes of this Agreement.

(b) For purposes of this Agreement, "*Affiliate*" means, with respect to any Person, (A) if such Person is not an individual, any Person directly or indirectly controlling or controlled by or under direct or indirect common control with such Person, where "control" means the possession, directly or indirectly, of the power to direct the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise or any entity in which such Person has a substantial equity interest, and (B) if such Person is an individual, a spouse of such Person, or any child or parent of such Person. For purposes of this Agreement, "*Person*" means any individual, partnership, corporation, limited liability company, association, business trust joint venture, business entity or other entity of any kind or nature, including any business unit of such Person.

6. **No Mitigation.** In no event shall the Executive be obligated to seek or obtain other employment after the date of termination, or take any other action by way of mitigation of the amounts payable to the Executive under any of the provisions of this Agreement, and such amounts shall not be reduced, whether or not the Executive obtains other employment. The Company may offset any amounts that it owes to the Executive by any amounts that the Executive owes to the Company or its Affiliates; provided that, in no event, shall any payment under this Agreement that constitutes "nonqualified deferred compensation" for purposes of Section 409A of the Code be subject to offset by any amount unless such offset is expressly permitted under Section 409A of the Code.

7. **Potential Reductions.**

(a) Notwithstanding any other provisions in this Agreement, in the event that any payment or benefit received or to be received by the Executive (including, without limitation, any payment or benefit received in connection with a Change in Control or the termination of the Executive's employment, whether pursuant to the terms of this Agreement or any other plan, program, arrangement or agreement) (all such payments and benefits, together, the "*Total Payments*") would be subject (in whole or part), to any excise tax imposed under Section 4999 of the Code, or any successor provision thereto (the "*Excise Tax*"), then, after taking into account any reduction in the Total Payments provided by reason of Section 280G of the Code in such other plan, program, arrangement or agreement, the Company will reduce the Executive's payments and/or benefits under this Agreement, to the extent necessary so that no portion of the Total Payments is subject to the Excise Tax (but in no event to less than zero), in the following order: (i) any cash severance amount, as described in Sections 4(d)(ii) and 4(d)(iii); and (ii) any acceleration of outstanding equity compensation, as described in Section 4(d)(iv) hereof (the payments and benefits set forth in clauses (i) through (ii) of this Section 7(a), together, the "*Potential Payments*");

provided, however, that the Potential Payments shall only be reduced if (A) the net amount of such Total Payments, as so reduced (and after subtracting the net amount of federal, state and local income taxes on such reduced Total Payments and after taking into account the phase out of itemized deductions and personal exemptions attributable to such reduced Total Payments), is greater than or equal to (B) the net amount of such Total Payments without such reduction (but after subtracting the net amount of federal, state and local income taxes on such Total Payments and the amount of Excise Tax to which the Executive would be subject in respect of such unreduced Total Payments and after taking into account the phase out of itemized deductions and personal exemptions attributable to such unreduced Total Payments). For purposes of determining whether and the extent to which the Total Payments will be subject to the Excise Tax: (i) no portion of the Total Payments the receipt or enjoyment of which the Executive shall have waived at such time and in such manner as not to constitute a "payment" within the meaning of Section 280G(b) of the Code shall be taken into account; (ii) no portion of the Total Payments shall be taken into account which does not constitute a "parachute payment" within the meaning of Section 280G(b)(2) of the Code (including, without limitation, by reason of Section 280G(b)(4)(A) of the Code) and, in calculating the Excise Tax, no portion of such Total Payments shall be taken into account which constitutes reasonable compensation for services actually rendered, within the meaning of Section 280G(b)(4)(B) of the Code, in excess of the "base amount" (as set forth in Section 280G(b)(3) of the Code) that is allocable to such reasonable compensation; and (iii) the value of any non-cash benefit or any deferred payment or benefit included in the Total Payments shall be determined by in accordance with the principles of Sections 280G(d)(3) and (4) of the Code.

(b) All determinations required to be made under this Section 7, including whether an Excise Tax would otherwise be imposed, whether the Total Payments shall be reduced, the amount of any such reduction and the assumptions to be utilized in arriving at such determinations not expressly provided for herein, shall be made by an independent, nationally recognized accounting firm or compensation consulting firm mutually acceptable to the Company and Executive (the "*Determination Firm*") which shall provide detailed supporting calculations both to the Company and Executive within 15 business days of the receipt of notice from the Company that a payment is due to be made hereunder, or such earlier time as is requested by the Executive. All reasonable fees and expenses of the Determination Firm shall be borne solely by the Company. Any determination by the Determination Firm shall be binding upon the Company and Executive, absent manifest error. As a result of the uncertainty in the application of Section 4999 of the Code at the time of the initial determination by the Determination Firm hereunder, it is possible that payments which Executive was entitled to, but did not receive as a result of application of Section 7, could have been made without the imposition of the Excise Tax ("*Underpayment*"), consistent with the calculations required to be made hereunder. In such event, the Determination Firm shall determine the amount of the Underpayment that has occurred and any such Underpayment shall be promptly paid by the Company to or for the benefit of Executive but no later than March 15 of the year after the year in which the Underpayment is determined to exist, which is when the legally binding right to such Underpayment arises.

(c) The fact that the Executive's right to payments or benefits may be reduced by reason of the limitations contained in this Section 7 shall not of itself limit or otherwise affect any other rights of the Executive under this Agreement.

8. **Restrictive Covenants.**

(a) *Non-Solicit.* During the Employment Period, and for a twelve (12) month period after the Executive's employment is terminated for any reason, the Executive shall not (except in connection with the performance of his duties for the Company) in any manner, directly or indirectly

(without the prior written consent of the Company) Solicit (as defined below) anyone who is then an employee or independent contractor of the Company or its Affiliates or who was an employee or independent contractor of the Company or its Affiliates within the prior twelve (12) months to resign from the Company or its Affiliates or to apply for or accept employment with any other business or enterprise. For purposes of this Agreement, "*Solicit*" means any direct or indirect communication of any kind, regardless of who initiates it, that in any way invites, advises, encourages or requests any person to take or refrain from taking any action.

(b) *Confidential Information.* The Executive hereby acknowledges that, as an employee of the Company, she will be making use of, acquiring and adding to confidential information of a special and unique nature and value relating to the Company and its Affiliates and their strategic plan and financial operations. The Executive further recognizes and acknowledges that all confidential information is the exclusive property of the Company and its Affiliates, is material and confidential, and is critical to the successful conduct of the business of the Company and its Affiliates. Accordingly, the Executive hereby covenants and agrees that she will use confidential information for the benefit of the Company and its Affiliates only and shall not at any time, directly or indirectly, during the term of this Agreement and thereafter divulge, reveal or communicate any confidential information to any person, firm, corporation or entity whatsoever, or use any confidential information for his own benefit or for the benefit of others. Notwithstanding the foregoing, the Executive shall be authorized to disclose confidential information (i) as may be required by law or legal process after providing the Company with prior written notice and an opportunity to respond to such disclosure (unless such notice is prohibited by law), or (ii) with the prior written consent of the Company. Notwithstanding anything to the contrary in this Agreement, the Executive shall not be prohibited from: (i) filing and, as provided for under Section 21F of the Securities Exchange Act of 1934, as amended (the "*Exchange Act*") maintaining the confidentiality of a claim with a government agency that is responsible for enforcing a law; (ii) providing confidential information to the extent required by law or legal process or permitted by Section 21F of the Exchange Act; (iii) cooperating, participating or assisting in any government or regulatory entity investigation or proceeding; or (iv) receiving an award for information provided to any government agency that is responsible for enforcing the law.

(c) *Non-Competition.* During the Employment Period, and for a twelve (12) month period after the Executive's employment is terminated for any reason, the Executive shall not directly or indirectly (whether for compensation or otherwise) own or hold any interest in, manage, operate, control, consult with, render services for, or in any manner participate in any business that is directly competitive with the business of the Company, either as a general or limited partner, proprietor, shareholder, officer, director, agent, employee, consultant, trustee, Affiliate or otherwise. Nothing herein shall prohibit the Executive from being a passive owner of not more than 2% of the outstanding securities of any publicly traded company engaged in the business of the Company.

(d) *Survival,* Any termination of the Executive's employment or of this Agreement shall have no effect on the continuing operation of this Section 8.

(e) *Non-Disparagement*. During the Employment Period and thereafter, the Executive shall not, in any manner, directly or indirectly through another person or entity, knowingly make any false or any disparaging or derogatory statements about HHH or Seaport, any of their Affiliates or any of their employees, officers or directors. HHH and Seaport, in turn, agrees that they will not make, in any authorized corporate communications to third parties, and they will direct the members of the respective Boards and the executive officers of the Company, not to in any manner, directly or indirectly through another person or entity, knowingly make any false or any disparaging or derogatory statements

about the Executive; provided, however, that nothing herein shall prevent either party from giving truthful testimony or from otherwise making good faith statements in connection with legal investigations or other proceedings, or where a prohibition or limitation on such testimony or statements would be unlawful.

(f) *Enforcement,* If, at the time of enforcement of this Section 8, a court of competent jurisdiction holds that the restrictions stated herein are unreasonable under circumstances then existing, the parties hereto agree that the maximum period, scope or geographical area reasonable under such circumstances shall be substituted for the stated period, scope or area. Because the Executive's services are unique and because the Executive has access to confidential information, the parties hereto agree that money damages would be an inadequate remedy for any breach of this Section 8. Therefore, in the event of a breach or threatened breach of this Agreement, the Company or its successors or assigns may, in addition to other rights and remedies existing in their favor, apply to any court of competent jurisdiction for specific performance and/or injunctive or other relief in order to enforce, or prevent any violations of, the provisions hereof.

9. **Successors.**

(a) This Agreement is personal to the Executive and without the prior written consent of the Company shall not be assignable by the Executive otherwise than by will or the laws of descent and distribution. This Agreement shall inure to the benefit of and be enforceable by the Executive's legal representatives.

(b) This Agreement shall inure to the benefit of and be binding upon the Company and its successors and assigns.

(c) The Company will require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the Company to assume expressly and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform it if no such succession had taken place. Upon the occurrence of a Change in Control, the Company will similarly require the acquiring entity to assume the Company's obligations under this Agreement. As used in this Agreement, "*Company*" shall mean the Company as defined above and any successor to its business and/or assets (or the acquiring entity upon the occurrence of a Change in Control as described and defined above).

(d) The Company may assign this Agreement to Seaport effective as of the date Seaport begins trading on a nationally recognized exchange without the consent of the Executive.

10. **Disputes.**

(a) *Jurisdiction and Choice of Forum.* Except as set forth in Section 8(f), all disputes directly or indirectly arising under or related to the employment of the Executive or the provisions of this Agreement shall be settled by final and binding arbitration under the rules of the American Arbitration Association ("*AAA*") then in effect, such arbitration shall be held in New York, New York, as the sole and exclusive remedy of the parties. The arbitration shall be heard by one (1) AAA arbitrator who shall be selected by AAA. The arbitrator shall have the authority to order expedited discovery and shall set a hearing within ninety (90) days following the arbitrator's appointment as arbitrator by the AAA. The arbitrator shall render an award and decision not later than thirty (30) days following the closing of arbitration hearing. Judgment on any arbitration award may be entered in any court of competent jurisdiction. The prevailing party in any arbitration hearing shall also be entitled to recover his/its costs and attorneys' fees.

(b) *Governing Law.* This Agreement and any disputes, claims or defenses arising under it will be governed by and construed in accordance with the law of the State of Delaware applicable to contracts made and to be performed entirely within that State.

11. **Section 409A of the Code.**

(a) *Compliance.* The intent of the parties is that payments and benefits under this Agreement are either exempt from or comply with Section 409A of the Code ("*Section 409A*") and, accordingly, to the maximum extent permitted, this Agreement shall be interpreted to that end. The parties acknowledge and agree that the interpretation of Section 409A and its application to the terms of this Agreement is uncertain and may be subject to change as additional guidance and interpretations become available. In no event whatsoever shall the Company be liable for any tax, interest or penalties that may be imposed on the Executive by Section 409A or any damages for failing to comply with Section 409A.

(b) *Six Month Delay for Specified Employees.* If any payment, compensation or other benefit provided to the Executive in connection with his employment termination is determined, in whole or in part, to constitute "*nonqualified deferred compensation*" within the meaning of Section 409A and the Executive is a "*specified employee*" as defined in Section 409A, no part of such payments shall be paid before the day that is six months plus one day after the Executive's date of termination or, if earlier, the Executive's death (the "*New Payment Date*"). The aggregate of any payments that otherwise would have been paid to the Executive during the period between the date of termination and the New Payment Date shall be paid to the Executive in a lump sum on such New Payment Date. Thereafter, any payments that remain outstanding as of the day immediately following the New Payment Date shall be paid without delay over the time period originally scheduled, in accordance with the terms of this Agreement.

(c) *Termination as a Separation from Service.* A termination of employment shall not be deemed to have occurred for purposes of any provision of this Agreement providing for the payment of any amounts or benefits subject to Section 409A upon or following a termination of employment until such termination is also a "*separation from service*" within the meaning of Section 409A and for purposes of any such provision of this Agreement, references to a "*resignation,*" "*termination,*" *"terminate,*" "*termination of employment*" or like terms shall mean separation from service.

(d) *Payments for Reimbursements and In-Kind Benefits.* All reimbursements for costs and expenses under this Agreement shall be paid in no event later than the end of the calendar year following the calendar year in which the Executive incurs such expense. With regard to any provision herein that provides for reimbursement of costs and expenses or in-kind benefits, except as permitted by Section 409A, (i) the right to reimbursement or in-kind benefits shall not be subject to liquidation or exchange for another benefit, and (ii) the amount of expenses eligible for reimbursement or in-kind benefits provided during any taxable year shall not affect the expenses eligible for reimbursement or in-kind benefits to be provided in any other taxable year.

(e) *Payments within Specified Number of Days.* Whenever a payment under this Agreement specifies a payment period with reference to a number of days (e.g., "payment shall be made within 30 days following the date of termination"), the actual date of payment within the specified period shall be within the sole discretion of the Company.

(f) *Installments as Separate Payment.* If under this Agreement, an amount is paid in two or more installments, for purposes of Section 409A, each installment shall be treated as a separate payment.

12. **Miscellaneous.**

(a) *Amendment.* This Agreement may not be amended or modified otherwise than by a written agreement executed by the parties hereto or their respective successors and legal representatives.

(b) *Notices.* Whenever any notice is required or permitted hereunder, such notice must be in writing and personally delivered, mailed by certified or registered mail, return receipt requested, or by email transmission. The parties agree that any notices shall be given at the following addresses; provided that the parties may change, at any time and from time to time, by written notice to the other, the address which it or he had previously specified for receiving notices:

If to the Executive:

at the Executive's primary residential address
as shown on the records of the Company

Email:

If to the Company:

at the Company's corporate headquarters
Attention: Office of the General Counsel

with a copy to:

William A. Ackman, Chairman of the Board
787 11th Avenue, 9th Floor
New York, NY 10019

or to such other address as either party shall have furnished to the other in writing in accordance herewith. Notice and communications shall be effective when actually received by the addressee.

(c) *Severability.* The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement.

(d) *Tax Withholding.* The Company may withhold from any amounts payable under this Agreement such federal, state, local or foreign taxes as shall be required to be withheld pursuant to any applicable law or regulation.

(e) *Compliance with Dodd-Frank.* All payments under this Agreement, if and to the extent they are subject to the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "*Dodd-Frank Act*"), shall be subject to any incentive compensation policy established from time to time by the Company to comply with the Dodd-Frank Act. The Executive acknowledges and agrees that the Company may from time to time establish incentive compensation policies that may apply to this Agreement and the awards contemplated hereunder and that applicable sections of this Agreement and any related documents shall be deemed superseded by and subject to the terms and conditions of any such

incentive compensation policies from and after the effective date thereof to the extent required by securities and/or exchange rules and regulations.

(f) *No Waiver,* The Executive's or the Company's failure to insist upon strict compliance with any provision of this Agreement or the failure to assert any right the Executive or the Company may have hereunder, including, without limitation, the Company's right to terminate the Executive for Cause pursuant to Section 3 (subject to Executive's right to challenge such determination in accordance with the provisions set forth in Section 3), shall not be deemed to be a waiver of such provision or right or any other provision or right of this Agreement.

(g) *No Strict Construction.* It is the parties' intention that this Agreement not be construed more strictly with regard to the Executive or the Company.

(h) *Entire Agreement.* This Agreement shall supersede any other employment or severance agreement or similar arrangements between the parties, and shall supersede any prior understandings, agreements or representations by or among the parties, written or oral, whether in term sheets, presentations or otherwise, relating to the subject matter hereof. In the event of any inconsistency or conflict between any terms, definitions or conditions of this Agreement and the terms, definitions or conditions of any other agreement, the terms, definitions and conditions of this Agreement shall govern and control.

(i) *Counterparts.* This Agreement may be signed in counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument.

(j) *Section References; Captions.* Any reference to a "Section" herein is a reference to a section of this Agreement unless otherwise stated. The captions of this Agreement are not part of the provisions hereof and shall have no force or effect.

IN WITNESS WHEREOF, the Executive has hereunto set the Executive's hand and, pursuant to the authorization from the Board or other duly authorized governing body, the Company has caused these presents to be executed in its name on its behalf, all effective as of the Effective Date.

EXECUTIVE:

/s/ Lucy Fato

Lucy Fato

HOWARD HUGHES HOLDINGS INC.:

By /s/ Anton Nikodemus

Anton Nikodemus

CEO CHAIRMAN SEAPORT ENTERTAINMENT

SEAPORT ENTERTAINMENT GROUP INC.

LIST OF SUBSIDIARIES:

Entity	**Jurisdiction**
Seaport Entertainment Management, LLC	Delaware
Summerlin Baseball Club Member, LLC	Delaware
Clark County Las Vegas Stadium, LLC	Delaware
Summerlin Las Vegas Baseball Club, LLC	Delaware
Fashion Show Mall Air Rights Developer, LLC	Delaware
Seaport District NYC, Inc.	Delaware
Seaport Marketplace Theatre, LLC	Maryland
117 Beekman Street Holdings, LLC	Delaware
170 John Street Holdings, LLC	Delaware
80 South, LLC	Delaware
85 South Street LLC	Delaware
South Street Seaport Limited Partnership	Maryland
Seaport Marketplace, LLC	Maryland
HHC JG NFT Member, LLC	Delaware
Seaport Management Development Company, LLC	Delaware
Seaport Development Holdings, LLC	Delaware
Marginal Street Development, LLC	Delaware
Seaport Phase 1 Holdings, LLC	Delaware
HHC Fulton Retail LLC	Delaware
HHC Fulton Club, LLC	Delaware
Howard Hughes New York Regional Center, LLC	Delaware

Seaport Hospitality, LLC	Delaware
HHC 33 Peck Slip Member, LLC	Delaware
Grandview SHG, LLC	California
HHC 33 Peck Slip Holdings, LLC	Delaware
HHC 33 Peck Slip Resources, LLC	Delaware
SSSLP Pier 17 Restaurant C101, LLC	Delaware
Pier 17 Restaurant C101, LLC	Delaware
HHC Seafood Market Member, LLC	Delaware
Fulton Seafood Market, LLC	Delaware
Pier 17 HHC Member, LLC	Delaware
Pier 17 Seafood Restaurant, LLC	Delaware
250 Seaport District, LLC	Delaware
Pier 17 GR Restaurant, LLC	Delaware
HHC Bridgeview, LLC	Delaware
HHC Cobblestones, LLC	Delaware
HHC Riverdeck, LLC	Delaware
1360 Schermerhorn, LLC	Delaware
HHC Blockhouse, LLC	Delaware
MF Seaport, LLC	Delaware
HHC Pier Village, LLC	Delaware
Pier 17 Bar, LLC	Delaware
Pier 17 F Restaurant, LLC	Delaware
HHC F Box Event Space, LLC	Delaware
Seaport Marketing Services, LLC	Texas

Bridgeview F&B, LLC	Delaware
HHC Spice, LLC	Delaware
HHC Lawn Games Member, LLC	Delaware
HHC Lawn Games, LLC	Delaware
Seaport Emerging Technologies LLC	Delaware
JG Restaurant HoldCo LLC	Delaware
JG NFT, LLC	Delaware

Exhibit 99.1

Howard Hughes Holdings Inc.



, 2024

Dear Howard Hughes Holdings Inc. Stockholder:

On October 5, 2023, we announced our intention to separate our company into two independent, publicly traded companies. Seaport Entertainment Group Inc. ("Seaport Entertainment") will be comprised of Howard Hughes Holdings Inc.'s ("HHH") existing entertainment-related assets in New York City and Las Vegas, including the Seaport in Lower Manhattan, a 25% minority interest in Jean-Georges Restaurants as well as other partnerships, the Las Vegas Aviators Triple-A Minor League Baseball team and Las Vegas Ballpark, an interest in and to 80% of the air rights above the Fashion Show mall in Las Vegas and certain other assets and liabilities that HHH is expected to contribute to Seaport Entertainment prior to the separation.

The separation will provide HHH stockholders as of the record date with ownership interests in both HHH and Seaport Entertainment. The separation will be in the form of a pro rata distribution of 100% of the outstanding shares of Seaport Entertainment common stock to HHH stockholders as of , 2024 (the "record date" for the distribution). Each HHH stockholder will receive one share of Seaport Entertainment common stock for every nine shares of common stock of HHH held on the record date.

You do not need to take any action to receive the shares of Seaport Entertainment common stock to which you are entitled as an HHH stockholder. You also do not need to pay any consideration, exchange or surrender your existing shares of common stock of HHH or take any other action in order to receive the shares of Seaport Entertainment common stock to which you are entitled.

The distribution is intended to be tax-free to HHH stockholders as of the record date for U.S. federal income tax purposes, except for cash received in lieu of fractional shares of common stock. You should consult your tax advisor as to the particular consequences of the distribution to you, including the applicability and effect of any U.S. federal, state and local and non-U.S. tax laws.

I encourage you to read the information statement, which is being provided to all HHH stockholders who held shares of common stock of HHH on the record date. The information statement describes the separation and the distribution in detail and contains important business and financial information about Seaport Entertainment.

We believe the separation is a significant and exciting step in our company's history, and we remain committed to working on your behalf to continue to build long-term stockholder value.

Sincerely,

David O'Reilly
Chief Executive Officer
Howard Hughes Holdings Inc.

SEAPORT ENTERTAINMENT GROUP INC.

, 2024

Dear Future Seaport Entertainment Stockholder:

We are excited to welcome you as a stockholder of Seaport Entertainment Group Inc. ("Seaport Entertainment" or the "Company"). Seaport Entertainment will own, operate and develop a unique collection of assets positioned at the intersection of entertainment and real estate, including the Seaport in Lower Manhattan, a 25% minority interest in Jean-Georges Restaurants as well as other partnerships, the Las Vegas Aviators Triple-A Minor League Baseball team and Las Vegas Ballpark and an interest in and to 80% of the air rights above the Fashion Show mall in Las Vegas, and the Company will be equipped with a robust team of industry leaders.

I personally invite you to learn more about Seaport Entertainment and our strategic initiatives by reading the accompanying information statement.

Sincerely,

Anton D. Nikodemus
Chief Executive Officer
Seaport Entertainment Group Inc.

Information contained herein is subject to completion or amendment. A registration statement on Form 10 relating to these securities has been filed with the U.S. Securities and Exchange Commission under the U.S. Securities Exchange Act of 1934, as amended.

PRELIMINARY AND SUBJECT TO COMPLETION, DATED JUNE 18, 2024

INFORMATION STATEMENT

Seaport Entertainment Group Inc.

This information statement is being furnished in connection with the pro rata distribution by Howard Hughes Holdings Inc. ("HHH" or "Howard Hughes") to its stockholders of 100% of the outstanding shares of common stock of Seaport Entertainment Group Inc. ("Seaport Entertainment" or the "Company"), a wholly-owned subsidiary of HHH that will hold, directly or indirectly, HHH's entertainment-related assets in New York City and Las Vegas, including the Seaport in Lower Manhattan (the "Seaport"), a 25% minority interest in Jean-Georges Restaurants ("JG"), the Las Vegas Aviators Triple-A Minor League Baseball team (the "Aviators") and Las Vegas Ballpark and an interest in and to 80% of the air rights (the "Fashion Show Mall Air Rights") above the Fashion Show mall in Las Vegas.

For every nine shares of common stock of HHH held of record by you as of the close of business on , 2024 (the "record date" for the distribution), you will receive one share of Seaport Entertainment common stock. You will receive cash in lieu of any fractional shares of Seaport Entertainment common stock that you would have received after application of the above ratio.

The distribution is intended to be tax-free to HHH stockholders for U.S. federal income tax purposes, except for cash received in lieu of fractional shares of common stock.

No vote of HHH stockholders is required to complete the distribution. Therefore, you are not being asked for any proxy in connection with the distribution. You also do not need to pay any consideration, to exchange or surrender your existing shares of common stock of HHH or to take any other action in order to receive the shares of Seaport Entertainment common stock to which you are entitled.

There is no current trading market for Seaport Entertainment's common stock. Seaport Entertainment expects that a limited market, commonly known as a "when-issued" trading market, will develop shortly before the distribution date, and further expects that "regular-way" trading will begin on the first trading day following the distribution. Seaport Entertainment intends to apply to have its common stock authorized for listing on the New York Stock Exchange (the "NYSE") under the symbol "SEG." Following the distribution, Howard Hughes will continue to trade on the NYSE under the symbol "HHH."

Seaport Entertainment is an "emerging growth company" as defined in the Jumpstart Our Business Startups Act of 2012.

In reviewing this information statement, you should carefully consider the matters described under "Risk Factors" beginning on page 19.

Neither the U.S. Securities and Exchange Commission (the "SEC") nor any state securities commission has approved or disapproved of these securities or determined if this information statement is truthful or complete. Any representation to the contrary is a criminal offense.

This information statement does not constitute an offer to sell or the solicitation of an offer to buy any securities.

The date of this information statement is , 2024.

A Notice of Internet Availability of Information Statement Materials containing instructions describing how to access this information statement was first mailed to HHH stockholders on or about , 2024. This information statement will be mailed to those HHH stockholders who previously elected to receive a paper copy of such materials.

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Presentation of Information

Except as otherwise indicated or unless the context otherwise requires, references herein to: (i) "Seaport Entertainment," the "Company," "we," "us" and "our" refer to Seaport Entertainment Group Inc., a Delaware corporation, and its consolidated subsidiaries after giving effect to the separation or, with respect to historical information, the business and operations of HHH's Seaport Entertainment division that will be transferred to the Company in connection with the separation and distribution. References herein to the terms "Howard Hughes" and "HHH," when used in a historical context, refer to Howard Hughes Holdings Inc. (f/k/a Howard Hughes Corporation) and its consolidated subsidiaries (including Seaport Entertainment and all of its subsidiaries) and, when used in the future tense, refer to Howard Hughes Holdings Inc. and its consolidated subsidiaries after giving effect to the separation and distribution.

In connection with the separation and distribution, we will enter into a series of transactions with HHH pursuant to which HHH will transfer the assets and liabilities of its Seaport Entertainment division and certain other assets and liabilities to us. As used herein: (i) the "separation" refers to the separation of the Seaport Entertainment division from HHH and the creation of a separate, publicly traded company holding the Seaport Entertainment business; and (ii) the "distribution" refers to the pro rata distribution of 100% of the shares of Seaport Entertainment common stock owned by HHH as of the record date to HHH stockholders. Except as otherwise indicated or unless the context otherwise requires, the information in this information statement about the Company assumes the completion of all of the transactions referred to in this information statement in connection with the separation and distribution.

Market, Industry and Other Data

Unless otherwise indicated, information in this information statement concerning our industry, the industries we serve and the markets in which we operate, including our general expectations, market position, market opportunity and market share, is based on information from third-party sources and management estimates. Management estimates are derived from publicly available information and reports provided to us, our knowledge of our industry and assumptions based on such information and knowledge, which we believe to be reasonable. Management estimates have not been verified by any independent source. In addition, assumptions and estimates of our and our industry's future performance are necessarily subject to a high degree of uncertainty and risk due to a variety of factors. These and other factors could cause future performance to differ materially from our assumptions and estimates. See "Risk Factors" and "Cautionary Statement Concerning Forward-Looking Information."

Trademarks and Trade Names

We intend to register the name and mark "Seaport Entertainment" and other of our trademarks, trade names and service marks appearing in this information statement as our property. Other trademarks, trade names and service marks are, as applicable, licensed to us or, as applicable, are the property of HHH. The name and mark "Howard Hughes" and other trademarks, trade names and service marks of HHH appearing in this information statement are the property of HHH.

QUESTIONS AND ANSWERS ABOUT THE SEPARATION AND DISTRIBUTION

What is Seaport Entertainment and why is HHH separating the Seaport Entertainment business and distributing shares of its common stock?	Seaport Entertainment, which is currently a wholly-owned subsidiary of HHH, was formed to hold HHH's entertainment-related assets in New York City and Las Vegas, including the Seaport, a 25% interest in JG, the Aviators and Las Vegas Ballpark and the Fashion Show Mall Air Rights. The separation of Seaport Entertainment from HHH and the distribution of shares of Seaport Entertainment common stock are intended to provide you with equity investments in two separate, publicly traded companies that will each be able to focus on its respective business strategies. HHH and Seaport Entertainment believe that the separation will result in enhanced long-term performance of each business for the reasons discussed in "The Separation and Distribution—Background" and "The Separation and Distribution—Reasons for the Separation."
Why am I receiving this information statement?	HHH is delivering this information statement to you because you are a holder of record of common stock of HHH. If you are a holder of HHH shares of common stock as of the close of business on , 2024 (the record date for the distribution), you will be entitled to receive one share of Seaport Entertainment common stock for every nine shares of common stock of HHH that you held at the close of business on such date. This information statement will help you understand how the separation and distribution will affect your investment in HHH and your investment in us after the separation.
How will the separation of Seaport Entertainment from HHH work?	To accomplish the separation of Seaport Entertainment into a separate, publicly traded company, HHH will distribute 100% of our outstanding shares of common stock to HHH stockholders on a pro rata basis in a distribution intended to be tax-free for U.S. federal income tax purposes, except for cash received in lieu of fractional shares of common stock.
Why is the separation of Seaport Entertainment structured as a distribution?	HHH believes that a distribution of shares of our common stock to HHH stockholders that is generally tax-free for U.S. federal income tax purposes is an efficient way to separate the Seaport Entertainment business in a manner that will create long-term value for HHH and its stockholders.
What is the record date for the distribution?	The record date for the distribution will be , 2024.
When will the distribution occur?	It is expected that 100% of the shares of our common stock will be distributed by HHH on to holders of record of HHH shares of common stock as of the close of business on , 2024 (the record date for the distribution).
What do HHH stockholders need to do to participate in the distribution?	HHH stockholders as of the record date are not required to take any action to receive shares of our common stock in the distribution, but you are urged to read this entire information statement carefully. No stockholder approval of the distribution is required, and you are not being asked for a proxy. You also do not need to pay any consideration, exchange or surrender your existing shares of common stock of HHH or take any other action to receive the shares of Seaport Entertainment common stock to which you are entitled. The distribution will not affect the number of outstanding shares of common stock of HHH or any rights of HHH stockholders, although it will affect the market value of each outstanding common share of HHH.
How will shares of Seaport Entertainment common stock be issued?	You will receive shares of our common stock through the same or substantially similar channels that you currently use to hold or trade shares of common stock of HHH (whether through a brokerage account or other channel). Receipt of shares of our common stock will be documented for you in substantially the same manner that you typically receive stockholder updates, such as monthly broker statements.

If you own shares of common stock of HHH as of the record date, HHH, with the assistance of Computershare Trust Company, N.A., the distribution agent, transfer agent and registrar for shares of our common stock ("Computershare"), will electronically distribute shares of our common stock to you or to your brokerage firm on your behalf by way of direct registration in book-entry form. Computershare will mail you a book-entry account statement that reflects your shares of Seaport Entertainment common stock, or your bank or brokerage firm will credit your account for such shares of common stock.

How many shares of Seaport Entertainment common stock will I receive in the distribution?

HHH will distribute to you one share of our common stock for every nine shares of common stock of HHH held by you as of the record date. Based on approximately 50,243,739 shares of common stock of HHH outstanding as of March 31, 2024, assuming a distribution of all of the shares of our common stock and applying the distribution ratio (without accounting for cash to be issued in lieu of fractional shares of common stock), we expect that a total of approximately 5,582,637 shares of our common stock will be distributed by HHH. See "The Separation and Distribution."

Will Seaport Entertainment issue fractional shares of common stock in the distribution?

No. Seaport Entertainment will not issue fractional shares of common stock in the distribution. Fractional shares of common stock that HHH stockholders would otherwise have been entitled to receive will be aggregated into whole shares of common stock and sold in the public market by the distribution agent. The aggregate net cash proceeds of these sales will be distributed pro rata (based on the fractional share of common stock such stockholder would otherwise be entitled to receive) to those stockholders who would otherwise have been entitled to receive fractional shares of common stock. Recipients of cash in lieu of fractional shares of common stock will not be entitled to any interest on the amounts of payment made in lieu of fractional shares of common stock. The receipt of cash in lieu of a fractional shares of common stock generally will be taxable to the recipient stockholders for U.S. federal income tax purposes as described in "Material U.S. Federal Income Tax Consequences of the Distribution to U.S. Holders."

What are the conditions to the distribution?

The distribution is subject to final approval by the board of directors of HHH (the "HHH Board"), or a duly authorized committee thereof, as well as the following conditions:

- the transfer of assets and liabilities to us in accordance with the Separation Agreement (as defined herein) will have been completed, other than assets and liabilities intended to transfer after the distribution;
- HHH will have received an opinion of Latham & Watkins LLP, tax counsel to HHH, regarding the qualification of the distribution as a distribution under Section 355 of the Internal Revenue Code of 1986, as amended (the "Code");
- the SEC will have declared effective the registration statement on Form 10 of which this information statement forms a part, no stop order suspending the effectiveness of the registration statement will be in effect, no proceedings for such purpose will be pending before or threatened by the SEC and this information statement (or a Notice of Internet Availability) will have been mailed to HHH stockholders;
- all actions and filings necessary or appropriate under applicable U.S. federal, U.S. state or other securities laws will have been taken and, where applicable, will have become effective or been accepted by the applicable governmental authority;
- the transaction agreements relating to the separation will have been duly executed and delivered by the parties thereto;
- the Rights Offering backstop agreement with Pershing Square will have been duly executed and delivered by the parties thereto (each term as defined herein);

- no order, injunction or decree issued by any court of competent jurisdiction or other legal restraint or prohibition preventing the consummation of the separation, the distribution or any of the related transactions will be in effect;
- the shares of Seaport Entertainment common stock to be distributed will have been accepted for listing on the NYSE, subject to official notice of distribution;
- HHH will have entered into a distribution agent agreement with, or provided instructions regarding the distribution to, Computershare as distribution agent;
- all material governmental approvals necessary to consummate the distribution and to permit the operation of our business after the separation substantially as it is currently conducted will have been obtained; and
- no other event or development will have occurred or exist that, in the judgment of the HHH Board, in its sole discretion, makes it inadvisable to effect the separation, the distribution or the other related transactions.

Neither we nor HHH can assure you that any or all of these conditions will be met, and HHH may also waive any or all of these conditions in its sole discretion and proceed with the distribution even if such conditions have not been met. If the distribution is completed and the HHH Board waived any such condition, such waiver could have a material adverse effect on (i) HHH's and Seaport Entertainment's respective business, financial condition or results of operations, (ii) the trading price of shares of Seaport Entertainment common stock or (iii) the ability of stockholders to sell their Seaport Entertainment shares after the distribution, including, without limitation, as a result of (a) illiquid trading if shares of Seaport Entertainment common stock are not accepted for listing or (b) litigation relating to any injunctions sought to prevent the consummation of the distribution. If HHH elects to proceed with the distribution, notwithstanding that one or more of the conditions to the distribution has not been met, HHH will evaluate the applicable facts and circumstances at that time and make such additional disclosure and take such other actions as HHH determines to be necessary and appropriate in accordance with applicable law. In addition, HHH can decline at any time to go forward with the separation and distribution. See "The Separation and Distribution—Conditions to the Distribution."

What is the expected date of completion of the separation and distribution?

The completion and timing of the separation and distribution are dependent upon a number of conditions. It is expected that 100% of shares of our common stock will be distributed by HHH on to holders of record of HHH shares of common stock as of the close of business on , 2024 (the record date for the distribution). However, no assurance can be provided as to the timing of the separation or that all conditions to the distribution will be met.

Can HHH decide to cancel the distribution of Seaport Entertainment common stock even if all the conditions have been met?

Yes. The distribution is subject to the satisfaction or waiver of certain conditions as described in "The Separation and Distribution—Conditions to the Distribution." Until the distribution has occurred, HHH has the right to terminate, modify or abandon the distribution, even if all of the conditions are satisfied.

What if I want to sell my HHH or Seaport Entertainment common stock?

You should consult with your financial advisor, such as your brokerage firm, bank or tax advisor.

What is "regular-way" and "ex-distribution" trading of HHH common stock?

Beginning shortly before the distribution date and continuing through the distribution date, it is expected that there will be two markets in HHH common stock: a "regular-way" market and an "ex-distribution" market. Shares of common stock of HHH that trade in the "regular-way" market will trade with an entitlement to shares of our common stock distributed pursuant to the distribution. Shares that trade in the "ex-distribution" market will trade without an entitlement to shares of our common stock distributed pursuant to the distribution.

If you decide to sell any shares of common stock of HHH before the distribution date, you should ensure that your brokerage firm, bank or other nominee understands whether you want to sell your shares of common stock of HHH with or without your entitlement to shares of our common stock distributed pursuant to the distribution.

Where will I be able to trade Seaport Entertainment common stock?

Seaport Entertainment intends to apply to list its common stock on the NYSE under the symbol "SEG." We anticipate that trading in our common stock will begin on a "when-issued" basis shortly before the distribution date and will continue up to the distribution date. We anticipate that "regular-way" trading in our common stock will begin on the first trading day following the completion of the distribution. If trading begins on a "when-issued" basis, you may purchase or sell shares of our common stock up to the distribution date, but your transaction will not settle until after the distribution date. We cannot predict the trading prices for shares of our common stock before, on or after the distribution date.

What will happen to the listing of HHH common stock?

After the distribution, HHH common stock will continue to trade on the NYSE under the symbol "HHH."

Will the number of shares of common stock of HHH that I own change as a result of the distribution?

No. The number of shares of common stock of HHH that you own will not change as a result of the distribution.

Will the distribution affect the market price of my shares of common stock of HHH?

Yes. As a result of the distribution, HHH expects the trading price of its shares immediately following the distribution to be lower than the "regular-way" trading price of such shares of common stock immediately prior to the distribution because the trading price will no longer reflect the value of the Seaport Entertainment business. There can be no assurance that the aggregate market value of the HHH shares of common stock and shares of our common stock following the separation will be higher or lower than the market value of HHH shares of common stock if the separation did not occur. This means, for example, that after the distribution, the combined trading prices of one share of common stock of HHH and one-ninth of one share of our common stock (representing the number of shares of our common stock to be received per every one share of common stock of HHH in the distribution) may be equal to, greater than or less than the trading price of one common share of HHH before the distribution.

What are the U.S. federal income tax consequences of the separation and the distribution?

The distribution is conditioned upon, among other things, HHH's receipt of an opinion of Latham & Watkins LLP, tax counsel to HHH, regarding the qualification of the distribution as a distribution under Section 355 of the Code, although HHH may waive this condition in its sole discretion. The opinion of tax counsel will be based on certain factual assumptions, representations and undertakings and subject to qualifications and limitations. If the distribution qualifies as a distribution under Section 355 of the Code, then for U.S. federal income tax purposes, U.S. Holders (as defined in "Material U.S. Federal Income Tax Consequences of the Distribution to U.S. Holders") will not recognize gain or loss or include any amount in taxable income (other than with respect to cash received in lieu of fractional shares of common stock) as a result of the distribution. The material U.S. federal income tax consequences of the distribution are described in the section entitled "Material U.S. Federal Income Tax Consequences of the Distribution to U.S. Holders." Each HHH stockholder is encouraged to consult its tax advisor as to the particular tax consequences of the distribution to such stockholder, including the application of U.S. federal, state, local and non-U.S. tax laws and the effect of possible changes in applicable tax laws.

How will I determine my tax basis in the shares of Seaport Entertainment common stock that I receive in the distribution?	For U.S. federal income tax purposes, assuming that the distribution qualifies as a distribution under Section 355 of the Code, the tax basis in the shares of common stock of HHH that an HHH stockholder holds immediately prior to the distribution will be allocated between such stockholder's shares of common stock of HHH and the shares of Seaport Entertainment common stock received in the distribution (including any fractional common share interest for which cash is received) in proportion to their relative fair market values. See "Material U.S. Federal Income Tax Consequences of the Distribution to U.S. Holders" for a more detailed description of the effects of the distribution on HHH stockholders' tax basis in shares of common stock of HHH and shares of Seaport Entertainment common stock. Each HHH stockholder is encouraged to consult its tax advisor regarding the application of these allocation rules to its particular circumstances (including if shares of common stock of HHH were purchased by such stockholder at different times or for different amounts) and regarding any particular tax consequences of the distribution to such stockholder, including the application of U.S. federal, state, local and non-U.S. tax laws and the effect of possible changes in applicable tax laws.
What will Seaport Entertainment's relationship be with HHH following the separation?	Seaport Entertainment expects to enter into a separation agreement with HHH to effect the separation and provide a framework for our relationship with HHH after the separation. In connection with the spin, we also expect to enter into a transition services agreement, an employee matters agreement and a tax matters agreement. These agreements will govern the separation between us and HHH of the assets, employees, services, liabilities and obligations (including their respective investments, property and employee benefits and tax-related assets and liabilities) of HHH and its subsidiaries attributable to periods prior to, at and after the separation and will govern certain relationships between us and HHH after the separation. See "Certain Relationships and Related Party Transactions—Agreements with HHH" and "Risk Factors—Risks Related to the Separation and Our Relationship with HHH." We, as borrower, also expect to enter into a credit agreement with HHH, as lender. See "Description of Certain Indebtedness—Revolving Credit Agreement."
Who will manage Seaport Entertainment after the separation?	Seaport Entertainment will be led by Anton D. Nikodemus, a veteran of the entertainment and hospitality industries, who will serve as our Chief Executive Officer. See "Management."
Are there risks associated with owning Seaport Entertainment common stock?	Yes. Ownership of our common stock is subject to both general and specific risks, including those relating to our business, the industries we serve, our ongoing contractual relationships with HHH after the separation and our status as a separate, publicly traded company. Ownership of our common stock is also subject to risks relating to the separation. These risks are described in the "Risk Factors" section of this information statement beginning on page 19. You are encouraged to read that section carefully.
Will the rights of holders of our common stock differ from the rights of the holders of common stock of HHH?	Both Seaport Entertainment and HHH were incorporated under the laws of the State of Delaware. The rights of holders of our common stock are expected to be generally consistent with the rights of holders of common stock of HHH under each company's respective governing documents at the time of the distribution. See "Description of Capital Stock" for a description of the rights of holders of our common stock.
Does Seaport Entertainment plan to pay dividends?	We do not expect to pay any cash dividends on our common stock in the foreseeable future. All decisions regarding the payment of dividends will be made by our board of directors from time to time in accordance with applicable law. See "Dividend Policy."
Will Seaport Entertainment incur any indebtedness prior to or at the time of the distribution?	Yes, we anticipate having certain financing arrangements in place prior to or at the time of the distribution. For a discussion of those arrangements, see "Description of Certain Indebtedness" and "Risk Factors—Risks Related to Our Business and Our Industry." While we have no specific plans to incur additional debt in the next 12 months, we preserve the option to do so in the event of appropriate circumstances.

Who will be the distribution agent, transfer agent, registrar and information agent for the Seaport Entertainment common stock?

The distribution agent, transfer agent and registrar for our common stock will be Computershare. Computershare will also serve as the information agent for the distribution. For questions relating to the transfer or mechanics of the distribution, you should contact:

Computershare Trust Company, N.A.
150 Royall Street
Canton, Massachusetts 02021

Telephone:
within the United States, U.S. territories and Canada: 866-354-3668
outside the United States, U.S. territories and Canada: 201-680-6578

What is the Rights Offering?

Following the separation and distribution, we expect to conduct a $175 million rights offering (the "Rights Offering"). The Rights Offering is a distribution, at no charge, to holders of our common stock as of the record date for the rights offering of transferable subscription rights, each of which will entitle its holder to purchase shares of our common stock.

Where can I find more information about each of HHH and Seaport Entertainment?

Before the distribution, if you have any questions relating to HHH's business performance, you should contact HHH at:

Howard Hughes Holdings Inc.
9950 Woodloch Forest Drive, Suite 1100
The Woodlands, Texas 77380
Telephone: (281) 929-7700
Email: investor.relations@howardhughes.com

After the distribution, Seaport Entertainment stockholders who have any questions relating to our business performance should contact us at:

Seaport Entertainment Group Inc.
199 Water Street, 28th Floor
New York, New York 10038
Telephone: (212) 732-8257
Email:

We maintain an internet website at . Our website, and the information contained on or accessible through our website, is not incorporated by reference in this information statement.

INFORMATION STATEMENT SUMMARY

This summary highlights information included elsewhere in this information statement and does not contain all of the information that may be important to you. You should read this entire information statement carefully, including "Risk Factors," "Cautionary Statement Concerning Forward-Looking Information," "Unaudited Pro Forma Combined Financial Statements," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our combined financial statements and the notes thereto (the "Combined Financial Statements").

Our Company

Seaport Entertainment was formed to own, operate and develop a unique collection of assets positioned at the intersection of entertainment and real estate. Our objective is to integrate our one-of-a-kind real estate assets with a variety of restaurant, retail and leisure offerings to form vibrant mixed-use destinations where our customers can work, play and socialize in one cohesive setting. To achieve this objective, we are focused on delivering best-in-class experiences for our surrounding residents, customers and tenants across the three operating segments of our business: (1) Landlord Operations; (2) Hospitality; and (3) Sponsorships, Events, and Entertainment. Our assets, which are primarily concentrated in New York City and Las Vegas, include the Seaport in Lower Manhattan, a 25% minority interest in Jean-Georges Restaurants as well as other partnerships, the Las Vegas Aviators Triple-A baseball team and the Las Vegas Ballpark and an interest in and to 80% of the air rights above the Fashion Show mall in Las Vegas. We believe the uniqueness of our assets, the customer-centric focus of our business and the ability to replicate our destinations in other locations collectively present an attractive investment opportunity in thematically similar but differentiated businesses, all of which are positioned to grow over time.

The Seaport is a historic neighborhood in Lower Manhattan on the banks of the East River and within walking distance of the Brooklyn Bridge. With roots dating back to the 1600s and a strategic location in Lower Manhattan, the Seaport attracts millions of visitors every year. The Seaport spans over 478,000 square feet, the majority of which is dedicated to entertainment, retail and restaurant uses, and in 2023, the Seaport hosted over 200 public and private events. Among the highlights of the Seaport are: The Rooftop at Pier 17®, a 3,500-person concert venue; the Tin Building, a 54,000-square-foot culinary marketplace leased to an unconsolidated joint venture between us and a subsidiary of JG; the Lawn Club, an immersive indoor/outdoor lawn game entertainment venue and another of our unconsolidated joint ventures; a historic cobblestone retail district; six additional retail and food and beverages concepts, four of which are unique to the Seaport; and a 21-unit residential building with approximately 5,500 square feet of ground floor space. In addition, the Company owns 250 Water Street, a one-acre development site directly adjacent to the Seaport, approved for 547,000 zoning square feet of market rate and affordable housing, office, retail and community-oriented gathering space. We are in the process of further transforming the Seaport from a collection of unique assets into a cohesive and vibrant neighborhood that caters to the broad needs of its residents and visitors. By continuing this integration, we believe we can drive further consumer penetration across all our restaurant, retail and event offerings, and make the Seaport our model for potential future mixed-use opportunities.

Jean-Georges Restaurants is a world-renowned hospitality company operated by Michelin-star chef Jean-Georges Vongerichten. JG was formed in 1997 and has grown from 17 locations in 2013 to over 43 high-end restaurant concepts across five continents, 13 countries and 24 markets, including our joint venture tenant, the Tin Building by Jean-Georges, located in the heart of the Seaport. JG's expertise and versatility allow it to serve the culinary needs of its customers. With an asset-light platform and highly regarded brand recognition, JG is able to enter new markets and provide customers with a range of culinary options, from high-end restaurants to fast casual concepts to high-quality wholesale products. We believe there is an opportunity for JG's food and beverage offerings to anchor the destinations we are seeking to create and help differentiate our business from the typical asset mix found in traditional real estate development and landlord operations.

The Las Vegas Aviators are a Minor League Baseball ("MiLB") team and the current Triple-A affiliate of the Oakland Athletics (the "Athletics") Major League Baseball ("MLB") team. As the highest-grossing MiLB team, and a critical component of the Summerlin, Nevada community, we believe the Aviators are a particularly attractive aspect of our portfolio. Seaport Entertainment wholly owns the Aviators, which generate cash flows from ticket

sales, concessions, merchandise and sponsorships. In addition to the team, Seaport Entertainment owns the Aviators' 10,000-person capacity ballpark, which is located in the heart of Downtown Summerlin. Completed in 2019, the ballpark is one of the newest stadiums in the minor league system and was named the "Triple-A Best of the Ballparks" by Ballpark Digest in 2019, 2021 and 2022. This renowned ballpark regularly has upwards of 7,000 fans per game and was chosen to host the Triple-A National Championship Game in 2022 and 2023. In addition to approximately 70 baseball games each year, the ballpark hosts at least 30 other special events, which provide incremental cash flow primarily during the baseball offseason. These events, which include festive holiday attractions, ballpark tours, movie nights, concerts and more, have also integrated the ballpark into the life and culture of Summerlin. As a result, we believe we are uniquely positioned to serve the entertainment needs of this community as it expands in the coming years.

We also have the right to develop, together with an interest in and to 80% of, the air rights above the Fashion Show mall in Las Vegas, representing a unique opportunity to vertically develop a high-quality, well-located real estate asset, which may potentially include a new casino and hotel. The Fashion Show mall, located just northwest of the Sphere and south of the Wynn West project and the new Resorts World Las Vegas, and directly across the street from the Wynn Las Vegas hotel, casino and golf course, is the 25th largest mall in the country, with over 1.8 million square feet and approximately 250 retailers.

We have a history of incurring net losses, and we currently expect to experience negative operating cash flow for the foreseeable future. To facilitate the implementation of our business plan with the goal of achieving profitability, Seaport Entertainment expects to conduct a $175 million Rights Offering of equity to our stockholders following the distribution. In connection with the Rights Offering, the Company is in serious discussions with Pershing Square Capital Management, L.P. (together with its affiliated and managed investment funds, "Pershing Square"), which through investment funds advised by it is HHH's largest shareholder, regarding a potential backstop agreement which would be entered into prior to the distribution. Entry into the backstop agreement is also expected to be a condition to the distribution. Pursuant to that agreement, if finalized, Pershing Square would agree to (i) exercise its pro rata subscription right with respect to the Rights Offering at a price of $25 per share of our common stock and (ii) purchase any shares not purchased upon the expiration of the Rights Offering at the Rights Offering price, up to $175 million in the aggregate. The backstop agreement could result in Pershing Square's affiliated funds owning as much as % of our common stock if no other stockholders participate in the Rights Offering. Any capital raised through the Rights Offering would further strengthen our balance sheet. With over $ million of liquidity, primarily consisting of (i) $23.4 million of cash contributed by HHH pursuant to the Separation Agreement, (ii) expected proceeds from the anticipated Rights Offering and (iii) amounts available under the Revolving Credit Agreement (as defined herein), we believe we will have ample capital to support the existing business and facilitate the Company's business plan.

Our Strategy

Seaport Entertainment's business plan is to focus on realizing value for its shareholders primarily through dedicated management of its existing assets, expansion of existing and creation of new partnerships, strategic acquisitions and completion of development projects. The Company's existing portfolio encompasses a wide range of leisure and recreational activities, including live concerts, fine dining, professional sports and high-end and experiential retail. As a result, we believe Seaport Entertainment is well-positioned to capitalize on trends across the travel, tourism and leisure industries and appeal to today's consumer who often values experiences over goods.

Create Unique Entertainment Destinations Within Sought-After Mixed-Use Commercial Hubs. Seaport Entertainment's portfolio of premier, non-commoditized and destination-focused properties caters to a wide range of consumers. We intend to drive this high-quality product offering by focusing on best-in-class experience-based tenants and partnerships, in addition to integrating sought-after events to drive foot traffic throughout our portfolio. By continuing to offer high quality food and beverage and entertainment options across our portfolio, we seek to create unique, cohesive environments that serve the various needs of our customers and offer more than just a single product or experience. By developing destinations that have multiple touchpoints with our visitors, we believe Seaport Entertainment is well-positioned to grow its revenue base over time by driving increased penetration.

Lease-Up Existing Assets at the Seaport. The portfolio of assets within Landlord Operations at the Seaport was 67% leased and 66% occupied as of March 31, 2024. Our dedicated management team is focused on leasing up the Seaport and improving occupancy levels, which we believe will drive foot traffic to the area and improve performance at the Seaport's food and beverage and entertainment assets. For example, we are evaluating the use of some of our vacant space for a variety of hospitality offerings. Additionally, we recently leased 41,515 square feet of office space to a high-end retail company for their New York headquarters.

Improve Efficiencies in our Operating Businesses. We believe the third-party managers of our operating businesses have numerous opportunities to drive efficiencies and increase margins. Through our dedicated management team, which has significant experience operating entertainment-related assets, we are focused on maximizing our revenues and rightsizing costs. For example, we are exploring the possibility of internalizing certain of our food and beverage operations, which we believe has the potential to drive increased operational focus and efficiencies.

Expand the Jean-Georges Partnership. Our JG investment has multiple avenues for core growth that could propel this business, including: the opening of new restaurants and luxury marketplaces; introducing a franchise model for certain Jean-Georges concepts; launching fast-casual and quick service restaurant concepts that allow for significant scale; and leveraging the Jean-Georges brand via private label wholesale product distribution. Additionally, we believe we will be able to work with JG to identify additional operating efficiencies.

Leverage Events and Sponsorships to Create a Flywheel Effect at the Seaport. The Seaport's events, particularly its Rooftop Summer Concert Series, and the Seaport's year-round programs focused on kids, fitness, arts, sounds and cinema, drive foot traffic to the entire neighborhood, which in turn creates opportunities for our restaurant and retail tenants as well as our sponsorship business. We are focused on creating a flywheel effect, where visitors who are drawn to the Seaport for an event receive targeted benefits from our sponsors and are engaged by our retail and dining options before and after that event. Our in-house marketing team is also leveraging the success of our Summer Concert Series to advertise all of the offerings at the Seaport to a growing social media following.

Improve and Increase Special Event Offerings at the Las Vegas Ballpark. The Las Vegas Ballpark is a key feature of Summerlin, Nevada, a thriving community outside of Las Vegas. By improving and increasing the special events offerings at the ballpark, we plan to further integrate the venue into the daily lives of Summerlin's residents. The ballpark currently hosts approximately 70 baseball games, with 65 in 2021 and 75 in both 2023 and 2022. While preparing the stadium and field for baseball season does require approximately one month, there is significant room for special events through the rest of the year. We are required to host at least 30 "special events" each year pursuant to our naming rights agreement with the Las Vegas Convention and Visitors Authority (the "LVCVA"). In 2021 and 2022, we hosted 120 and 115 special events, generating approximately $940,000 and $2.8 million in revenue, respectively. In 2023, although we only hosted 78 special events, these events generated approximately $5.7 million in revenue. We plan to continue to seek opportunities to improve our existing events and identify more impactful revenue generating events that engage and entertain the community.

Opportunistically Acquire Attractive Entertainment-Related Assets and Utilize Strategic Partnerships. Over time, we intend to evaluate and ultimately acquire additional entertainment-related real estate and operating assets. These assets may include but are not limited to stadiums, sports and gaming attractions, concert and entertainment venues, food halls and other restaurant concepts. In addition to acquisitions, we plan to utilize strategic partnerships to accelerate our long-term growth. To execute on this strategy, we intend to leverage our unique experience at the Seaport, where we already successfully work with an array of top-tier partners in the entertainment space.

Develop Owned Land Parcels and the Fashion Show Mall Air Rights. Seaport Entertainment currently has two sizeable development opportunities: 250 Water Street and the Fashion Show Mall Air Rights. Each opportunity, if transacted on, could represent a significant driver of long-term growth.

Competitive Strengths

Unique Focus on the Intersection of Entertainment and Real Estate to Create Inclusive, Consumer-Centric Destinations. Seaport Entertainment will be one of the few publicly traded companies focused on the intersection of entertainment and real estate. Unlike real estate investment trusts, which have limitations on their ability to invest in

non-real estate assets, Seaport Entertainment will have flexibility to invest in both real estate as well as entertainment-focused operating assets. We intend to create communities and experience-driven neighborhoods as opposed to standalone assets. As a result, our focus on the social needs of our customers and providing an array of food, entertainment and leisure options to keep them engaged distinguishes our business from traditional real estate development and landlord operations.

High-Quality Portfolio in High-Barrier to Entry, Top-Tier Destinations. Seaport Entertainment's portfolio consists of unique, high-quality assets that were acquired and developed over many years to create a one-of-a-kind portfolio. As a result, there is a high barrier to replicating Seaport Entertainment's business. The quality of the assets is complimented by the desirability of their locations: primarily Lower Manhattan and Las Vegas, where there are substantial barriers to entry. New York City has over 8.3 million residents and a thriving tourism industry, with 64.5 million tourists anticipated to visit in 2024. Las Vegas is the largest city in Nevada, with over 650,000 residents and a growing professional sports industry. In 2023, nearly 40 million people visited Las Vegas, spending over $51 billion.

Embedded Potential Upside Within Landlord Operations Segment. Our focus on increasing the occupancy of the assets in our Landlord Operations segment is expected to drive incremental upside. For example, at the Seaport, Pier 17 was 54% leased and 47% occupied as of March 31, 2024, with available space across its third and fourth floors that benefit from panoramic views of the Brooklyn skyline and the Brooklyn Bridge. Driven by a dedicated management team primarily focused on performance at this and other assets, we believe the Company has substantial internal growth prospects.

Thematically-Focused, Diversified Assets. While the focus of the Company is on entertainment, the assets encompass a wide range of leisure and recreational activities, including live concerts, fine dining, professional sports and high-end and experiential retail. Seaport Entertainment is not limited to a particular type of entertainment asset, and as a result, it seeks to meet the needs of different customers with the flexibility to adapt to changes in consumer trends, which today favor experiences over products. Unlike traditional landlords and real estate developers, which are focused on building and leasing space, we are a customer-centric business that is responsible for filling the space that we develop, own and lease with offerings that entice and engage our visitors.

Balance Sheet Positioned to Support Business Plan. The Company expects to conduct a $175 million Rights Offering of common stock following the distribution. In connection with the Rights Offering, the Company is in serious discussions with Pershing Square, which through investment funds advised by it is HHH's largest shareholder, regarding a potential backstop agreement which would be entered into prior to the distribution. Pursuant to that agreement, if finalized, Pershing Square would agree to (i) exercise its pro rata subscription right with respect to the Rights Offering at a price of $25 per share of our common stock and (ii) purchase any shares not purchased upon the expiration of the Rights Offering at the Rights Offering price, up to $175 million in the aggregate. We have a history of net losses, with a net loss of $44.1 million for the quarter ended March 31, 2024 and net losses of $838.1 million ($128.6 million excluding an impairment charge of $672.5 million for our assets and $37.0 million for unconsolidated ventures) and $111.3 million for the years ended December 31, 2023 and 2022, respectively, and our audited financial statements for the fiscal year ended December 31, 2023 were prepared on a going concern basis. See "Risk Factors—Risks Related to Our Business and Our Industry—Although our financial statements have been prepared on a going concern basis, our independent auditors in their report accompanying our combined financial statements for the year ended December 31, 2023 believe that our recurring losses from operations and other factors have raised substantial doubt about our ability to continue as a going concern as of December 31, 2023" for additional information. We currently expect to experience negative operating cash flow for the foreseeable future as we implement our business plan to achieve profitability. However, we believe the Company's cash balance following the contribution of $23.4 million of cash by HHH pursuant to the Separation Agreement and the capital raised from the Rights Offering, along with amounts available under the Revolving Credit Agreement, will be sufficient to meet our working capital and capital expenditure needs for the next twelve months and will give us significant liquidity and financial flexibility to both support the existing business and facilitate the Company's business plan. While we have no specific plans to incur additional debt in the next 12 months, we preserve the option to do so in the event of appropriate circumstances.

Scalable Platform. Embedded in Seaport Entertainment's assets are multiple avenues for potential growth, including through the expansion of existing partnerships and development of existing sites. More broadly, we believe the Company's focus on the intersection of entertainment and real estate is readily scalable, given the ability to pursue opportunities in leisure, tourism, hospitality, gaming, food and beverage and live entertainment spaces. We view these avenues of growth holistically, as components and levers to create broader communities that engage our visitors and provide reasons to spend more time at our locations.

- *Live Events Opportunity*. The demand for live music is strong and accelerating worldwide. According to Live Nation, in 2023, concert attendance was up 20% year-over-year, with over 145 million fans attending over 50,000 events. Fee-bearing gross transaction value was up 30% year-over-year in 2023. In the first quarter of 2024, Live Nation concert ticket sales were pacing up almost 7% compared to the same period in 2023, with over 155 million tickets sold. Social media is also fueling fan interest in attending concerts, with Live Nation reporting that, as of February 2024, approximately 90% of live music goers agreed that seeing live music content on social media makes them want to attend shows. Seaport Entertainment's Summer Concert Series has experienced similar strong demand. In 2021, we hosted 30 concerts and sold over 84,000 tickets. In 2022, we hosted 60 shows and sold approximately 188,000 tickets, which was an approximately 50% increase in ticket sales compared to pre-pandemic levels. In 2023, we hosted 63 shows and sold approximately 204,000 tickets, representing an 8.5% increase in sales from the prior year. Based on these metrics, Seaport Entertainment views the live event/concert space to be an attractive opportunity for strong growth.

- *Food and Dining Opportunity*. Seaport Entertainment plans to leverage the growing consumer appetite for unique restaurant experiences as a catalyst to further expand its culinary footprint. According to the U.S. Department of Agriculture, consumers spent more on food in 2022 than ever before, even after adjusting for inflation. Of the total amount spent on food, consumer purchases for food away from home, including restaurants, have accelerated since the onset of the COVID-19 pandemic. As of 2022, expenditures on food away from home accounted for 54% of total food spending, marking a stark rise from its 50% market share in 2020, according to the U.S. Department of Agriculture. According to restaurant marketing platform BentoBox's 2023 Restaurant Trend Report, in 2023, diners spent approximately 7% more on restaurants than they did in 2022. In the first quarter of 2024, our Hospitality segment generated $4.0 million in revenue, representing a 23% decrease from first quarter of 2023. Our first quarter 2024 results were impacted by poor weather conditions, as evidenced by a 45% increase in total rainfall during the peak days of Friday through Sunday. In 2023, our Hospitality segment generated $33.0 million in revenues, representing a 23% decrease from 2022, and in 2022, our Hospitality segment revenue was $42.6 million, which was a 41% increase from 2021. Our Hospitality-related period-over-period comparisons do not adjust for operational revisions to our asset strategies from period to period, such as closing restaurant concepts or redirecting operations to use space for private events and/or concerts. Furthermore, our Hospitality segment includes equity earnings from our unconsolidated joint ventures, which primarily relate to our interest in the Tin Building by Jean-Georges joint venture. Although these joint ventures generate food and beverage revenue, our share of this revenue is recognized in equity earnings and not Hospitality revenue. The Tin Building by Jean-Georges joint venture generated food and beverage revenues of $6.5 million in the first quarter of 2024, $32.4 million in 2023, and $8.2 million in 2022. Based on the trend of growing demand for food and beverage offerings and our increased focus on food and beverage programming within the Seaport neighborhood, we believe there is an attractive opportunity to both improve the performance of our Hospitality segment and grow our food and beverage offerings.

- *Sports and Gaming Opportunity.* Consumer spending toward sporting events has demonstrated tremendous strength over the last few years. According to StubHub's 2023 Year in Live Experiences Report:
    - NFL sales heading into the 2023 season were double from 2022.
    - College football sales were up almost 50% at season start.
    - NHL sales were trending nearly double last season's start.

- NBA sales on StubHub at season start were up nearly 60%.
- MLS sales were up over 2.5x compared to 2022.

According to StubHub's 2024 MLB Season Preview, as of mid-March 2024, MLB ticket sales were up by over 60% compared to the same time last year. Similarly, admission prices for sporting events rose significantly in 2023. According to the Bureau of Labor Statistics, in October 2023, admission prices for sporting events increased by 25.1% year-over-year, which was the highest annualized growth rate measured by the CPI inflation gauge. In 2022 and 2023, we sold approximately 396,000 and 388,000 total tickets to Aviators games, respectively, generating revenue of approximately $9.4 million at an average ticket price of $23.88 and revenue of approximately $9.0 million at an average ticket price of $23.32, respectively. Due to the robust demand that exists for live sports and gaming events, Seaport Entertainment will look to further capitalize on new and existing opportunities within this segment of the market.

Experienced Management Team With a Proven Track Record. Seaport Entertainment's senior management team has decades of hospitality, entertainment and real estate industry expertise, significant public company experience, long-standing business relationships and an extensive track record of implementing strategies to create world-class brands. We believe that management's significant operating experience with complex and multi-faceted hospitality and real estate assets will enable the Company to achieve a streamlined model while pursuing innovative opportunities.

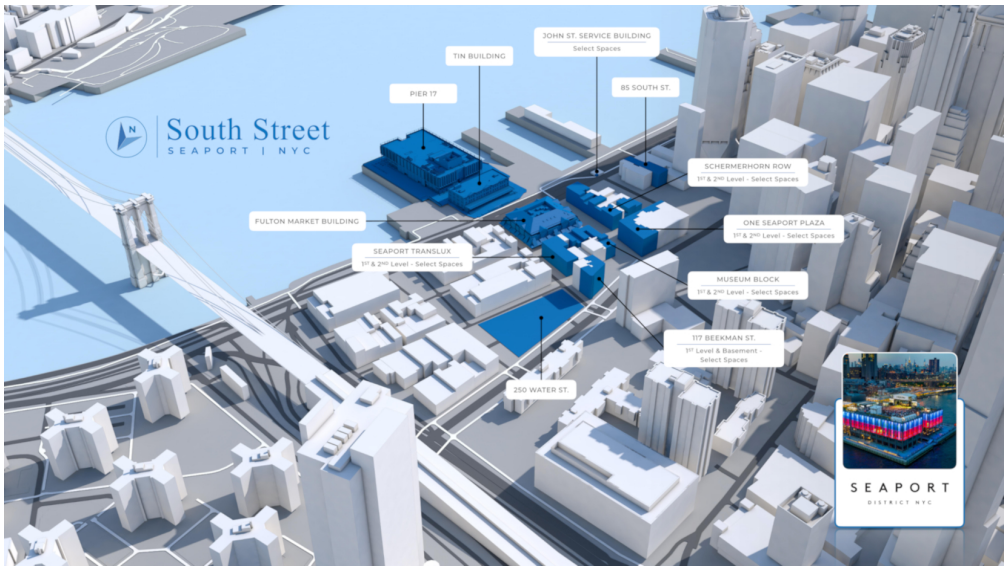
- *Anton D. Nikodemus is the Chief Executive Officer of Seaport Entertainment*. Mr. Nikodemus has spent over 30 years in entertainment and hospitality leading the development and operations of industry premier destination brands. Prior to joining Seaport Entertainment, he served as President and Chief Operating Officer of CityCenter for MGM Resorts International where he oversaw operations for The Cosmopolitan of Las Vegas, Vdara Hotel & Spa and ARIA Resort & Casino. Mr. Nikodemus notably led the creation and development of the MGM National Harbor Hotel & Casino in Maryland and the MGM Springfield in Massachusetts.
- *Matthew M. Partridge is the Chief Financial Officer of Seaport Entertainment*. Mr. Partridge has nearly 15 years of experience in real estate and hospitality across a variety of asset classes and operating models with public and private companies. Prior to joining Seaport Entertainment, Mr. Partridge was the Senior Vice President, Chief Financial Officer and Treasurer for two publicly traded real estate investment trusts, CTO Realty Growth, Inc. and Alpine Income Property Trust, Inc., where he was responsible for accounting, asset management, corporate finance and investor relations, information technology and risk management.
- *Lucy Fato is the General Counsel and Corporate Secretary of Seaport Entertainment*. Ms. Fato brings extensive public company experience to the Seaport management team. Prior to joining Seaport Entertainment, Ms. Fato spent approximately seven years at AIG, a global insurance company, most recently serving as Vice Chair and, before that, as General Counsel and Global Head of Communications and Government Affairs and, prior to her time at AIG, held leadership roles at McGraw-Hill Financial (now known as S&P Global) and Marsh McLennan.

Our Portfolio

We primarily analyze our portfolio of assets through the lens of our three operating segments: (1) Landlord Operations; (2) Hospitality; and (3) Sponsorships, Events, and Entertainment. In each segment, we believe there are multiple opportunities to drive operational efficiencies and value creation over time.

Landlord Operations. Landlord Operations represent our ownership interests in and operation of physical real estate assets. Currently, all Landlord Operations are located in the Seaport. The Seaport encompasses over 478,000 square feet of restaurant, retail, office and entertainment properties, as well as 21 residential units. It is one of the few multi-block neighborhoods in New York City largely under private management and was previously owned and operated by HHH since 2010. Over 13 years, HHH invested over $1 billion in the area, which we believe helped to revitalize the area and positioned it to become one of the premier food and beverage and entertainment destinations

in the city. Currently, we own 11 physical real estate assets in the Seaport that comprise 100% of our current Landlord Operations. These assets, reflected on the map below, include:



- Pier 17 – Pier 17 is a 213,000 square foot mixed-use building containing restaurants, entertainment, office space and an outdoor concert venue. The Rooftop at Pier 17 is a 3,500-person concert venue, which was voted the #1 outdoor music venue in New York City in 2022 by Red Bull and ranked by Pollstar as the fifth top club worldwide in 2023. In 2023, the Rooftop's Summer Concert Series had a record year, selling approximately 204,000 tickets over 63 shows, representing 93% of available ticket inventory. In addition to the concert venue, the building has five restaurants with renowned chefs including Jean-Georges and Andrew Carmellini, and three floors of unique space that can be utilized for retail, office and entertainment purposes.

- Tin Building – Across from Pier 17 is the Tin Building, a 54,000-square-foot culinary destination located on the site of the original Fulton Fish Market. The property opened in September 2022 after undergoing an over $200 million, five-year renovation to reconstruct the building in collaboration with Jean-Georges and is leased to our joint venture with a subsidiary of Jean-Georges. The building has three levels, offering over 20 culinary experiences, including restaurants, bars, grocery markets, retail and private dining.

- Fulton Market Building – The Fulton Market Building is a three-story, 115,000-square-foot mixed-use building. It is 100% leased to tenants like IPIC Theaters, which occupies 46,000 square feet and has a lease through 2035. In July 2022, high-end fashion brand Alexander Wang leased the entire third floor for its global fashion headquarters. The Lawn Club, an experiential retail concept focused on "classic lawn games" and superb cocktails, is one of our joint ventures and the most recent tenant, having opened in November 2023.

- Historic District Retail & Other – Seaport Entertainment is also the landlord for the following Historic District retail and other locations: Museum Block (1st and 2nd Level - Select Spaces), Schermerhorn Row (1st and 2nd Level - Select Spaces), Seaport Translux (1st and 2nd Level - Select Spaces), 117 Beekman Street (1st Level & Basement - Select Spaces), One Seaport Plaza (1st and 2nd Level - Select Spaces) and the John Street Service Building (Select Spaces), which collectively make up approximately 91,000 square feet.

- 250 Water Street – 250 Water Street is a full block, one-acre development site that is zoned for 547,000 square feet of market rate and affordable housing, office, retail and community-oriented gathering space. We believe 250 Water Street is a unique opportunity at the Seaport to redevelop this site into a vibrant mixed-use asset, provide long-term viability to the South Street Seaport Museum and deliver economic stimulus to the area. We have received all of the necessary approvals for the plans and permits to build the foundation, which we began building in the second quarter of 2022. Final remediation work on the site is complete, and we can commence construction of the new development at our discretion.

- 85 South Street – 85 South Street is an eight-story residential building with 21 apartments and approximately 5,500 square feet of ancillary office space.

Our Seaport assets primarily sit under a long-term ground lease from the City of New York that provides for an extension option that would extend its expiration from 2072 to 2120. In 2023, we paid $2.5 million in rent and fees under that ground lease and two smaller ground leases on our Seaport assets. The following table shows information about our Seaport assets as of March 31, 2024:

Asset	Asset Type	Ownership Type	Owned Rentable Square Feet	Rentable Units	% Occupied	% Leased
Pier 17	Mixed-Use	Owned Improvements	212,514	—	47%	54%
Fulton Market Building	Mixed-Use	Owned Improvements	114,999	—	100%	100%
Tin Building	Retail	Owned Improvements	53,783	—	100%	100%
Schermerhorn Row	Retail	Owned Improvements	28,872	—	85%	85%
One Seaport Plaza	Retail	Owned Improvements	24,518	—	12%	12%
Museum Block	Retail	Owned Improvements	23,633	—	52%	52%
Seaport Translux	Retail	Owned Improvements	9,928	—	0%	0%
117 Beekman Street	Retail	Owned Improvements	3,609	—	0%	0%
John Street Service Building	Retail	Owned Improvements	636	—	0%	0%
85 South Street	Multifamily & Office	Fee Simple	5,522	21	100%(2)	100%(2)
250 Water Street(1)	Development Site	Fee Simple	—	—	0%	0%
Total			478,014	21	66%	67%

(1) 250 Water Street is zoned for 547,000 square feet of market rate and affordable housing, office, retail and community-oriented gathering space.
(2) Occupancy and leasing figures for multifamily space. Ground floor office space is fully occupied but not leased.

Hospitality. Hospitality represents our ownership interests in various food and beverage operating businesses. Currently, we own, either wholly or through partnerships with third parties, and operate, including under license and management agreements, six fine dining and casual dining restaurants, cocktail bars and entertainment venues (The Fulton, Mister Dips, Carne Mare, Malibu Farm, Pearl Alley and The Lawn Club), as well as our unconsolidated venture, the Tin Building by Jean-Georges, which offers over 20 culinary experiences, including restaurants, bars, grocery markets, retail and private dining. These businesses are all our tenants and pay rent to our Landlord Operations. We are exploring the possibility of internalizing food and beverage operations that are currently operating under management agreements. We also have a 25% interest in Jean-Georges Restaurants.

Jean-Georges Restaurants was founded by renowned Michelin-star chef Jean-Georges Vongerichten and operates over 40 hospitality offerings across the world. In March 2022, HHH acquired a 25% interest in Jean-

Georges Restaurants for $45 million. The Tin Building by Jean-Georges was the first project completed by HHH and Jean-Georges since the minority stake acquisition, and it now plays an integral part in the Seaport's overall performance. Creative Culinary Management Company, LLC ("CCMC"), a wholly-owned subsidiary of Jean-Georges Restaurants, provides management services for certain retail and food and beverage businesses within the Seaport.

Sponsorships, Events, and Entertainment. Our Sponsorships, Events, and Entertainment segment includes the Las Vegas Aviators, the Las Vegas Ballpark, the Fashion Show Mall Air Rights, Seaport events and concerts and all of our sponsorship agreements across both the Seaport and the Las Vegas Ballpark.

- *The Aviators and Las Vegas Ballpark*. The Las Vegas Aviators are a Minor League Baseball team and the Triple-A affiliate of the Athletics. The team was acquired by the Summerlin Las Vegas Baseball Club, a subsidiary of HHH, and Play Ball Owners Group in May 2013. In 2017, HHH acquired Play Ball's 50% ownership stake for $16.4 million. In addition to the team, included in Seaport Entertainment is the Aviators' 10,000-person capacity ballpark, which is located in the heart of Downtown Summerlin, approximately nine miles west of the Las Vegas Strip. We estimate that the area draws approximately 20 million visitors per year. The Aviators averaged approximately 6,800 ticket sales per game in 2023. Since its opening in 2019, the Las Vegas Ballpark, which had a gross carrying value before accumulated depreciation of $132.0 million as of March 31, 2024, has been voted the best ballpark in Triple-A baseball in three out of the last five years by Ballpark Digest. In addition to hosting baseball games, the ballpark holds various special events throughout the year. On November 16, 2023, the Athletics received unanimous approval from MLB to relocate their team from Oakland to Las Vegas, where a new stadium would be built. In 2023, the Aviators and the ballpark generated approximately $33.4 million in revenue.

The following map shows the location of the Las Vegas Ballpark in relation to certain other Las Vegas landmarks.



- *The Rooftop at Pier 17*. The Rooftop at Pier 17 has evolved into one of the premier concert venues in New York City. The venue has capacity of 3,500 seats and in 2022 and 2023 hosted 60 and 63 concerts, respectively. Located two blocks south of the Brooklyn Bridge, the unique outdoor venue was voted the #1 outdoor music venue in New York City in 2022 by Red Bull and ranked by Pollstar as the fifth top club worldwide in 2023. The venue provides an unmatched outdoor entertainment opportunity for both

emerging and established musicians. In addition, given the venue's destination-like location, it has proven to be successful at hosting events year round and drives incremental revenue outside of the Summer Concert Series.

The demand for live music at The Rooftop at Pier 17 is evident based on the success of our Summer Concert Series, which premiered in 2018 hosting 24 shows and selling over 63,000 tickets. In 2023, our Summer Concert Series sold out 47 of 63 shows and sold approximately 204,000 tickets, which represented 93% of all available tickets, generating over $12 million in gross ticket sales. The venue's success is also demonstrated by its social media following, which is one of the largest for any New York City-area arena or concert venue, despite only having a 3,500-seat capacity. As a result, we are exploring opportunities to leverage the success of our Summer Concert Series during the winter season by potentially hosting an enclosed winter concert series.

- *The Fashion Show Mall Air Rights*. The Fashion Show mall is the 25th largest mall in the country. It has a prime Las Vegas Strip location, adjacent to the Wynn and Treasure Island. The mall is owned by Brookfield Properties and features more than 250 retailers and over 30 restaurants spread across approximately two million square feet. Seaport Entertainment has an interest in and to 80% of the air rights above the mall, with Brookfield Properties having an interest in and to the remaining 20% stake. The Fashion Show Mall Air Rights are a contractual right to form a joint venture to hold an 80% managing member interest in a to-be-formed entity that would own the air rights above the Fashion Show mall, as well as the exclusive right to develop such air rights. The Fashion Show Mall Air Rights may potentially be used to develop a new casino and hotel on the Las Vegas Strip. For additional information, see "Risk Factors—Risks Related to Our Business and Our Industry—We are exposed to risks associated with the development, redevelopment or construction of our properties, including the planned redevelopment at 250 Water Street and intended development in connection with our Fashion Show Mall Air Rights."



The Separation and Distribution

The Separation and Distribution

On October 5, 2023, HHH announced its intention to separate its Seaport Entertainment division from the remainder of its businesses.

It is expected that the HHH Board, or a duly authorized committee thereof, will approve the pro rata distribution of 100% of the issued and outstanding shares of our common stock, on the basis of one share of our common stock for every nine shares of common stock of HHH held as of the close of business on , 2024 (the record date for the distribution).

Our Post-Separation Relationship with HHH

Prior to the completion of the distribution, we will be a wholly-owned subsidiary of HHH, and all of our outstanding shares of common stock will be owned by HHH. Following the separation and distribution, we and HHH will operate as separate publicly traded companies.

Furthermore, prior to the completion of the distribution, we will enter into a separation agreement with HHH (the "Separation Agreement"). We will also enter into various other agreements to provide a framework for our relationship with HHH after the separation, including a transition services agreement, an employee matters agreement and a tax matters agreement. These agreements will provide for the allocation between us and HHH of the assets, employees, services, liabilities and obligations (including their respective investments, property and employee benefits and tax-related assets and liabilities) of HHH and its subsidiaries attributable to periods prior to, at and after the separation and will govern certain relationships between us and HHH after the separation. For additional information regarding the Separation Agreement and such other agreements, please refer to sections entitled "The Separation and Distribution," "Certain Relationships and Related Party Transactions—Agreements with HHH" and "Risk Factors—Risks Related to the Separation and Our Relationship with HHH."

Reasons for the Separation

The HHH Board believes that separating its Seaport entertainment division from the remainder of HHH is in the best interests of HHH and its stockholders at this time for the following reasons:

- *Enhanced Strategic Focus and Capital Allocation Strategies.* Separating the Seaport Entertainment business into a standalone entity creates two separate companies, each focused on its distinct business strategy with flexibility to deploy capital toward its specific growth opportunities.
    - *Allows Howard Hughes to Focus on its Core Portfolio of Master Planned Communities*. HHH owns, manages, and develops commercial, residential, and mixed-use real estate throughout the U.S. It operates one of the nation's largest portfolios of master planned communities ("MPCs") spanning approximately 101,000 gross acres, including: The Woodlands®, Bridgeland® and The Woodlands Hills® in the Greater Houston, Texas area; Summerlin® in the Greater Las Vegas, Nevada area; Ward Village® in Honolulu, Hawaii; and Teravalis™ in the Greater Phoenix, Arizona area.
    - *Allows Seaport Entertainment to Focus on Enhancing the Value of its Existing Portfolio and to Acquire Additional Assets with a Differentiated Investment Strategy.* Post separation, Seaport Entertainment will be able to focus on unlocking the inherent value embedded in its unique collection of assets positioned at the intersection of entertainment and real estate. In addition, Seaport Entertainment's focus on acquiring hospitality and entertainment related physical and/or operational assets across geographic markets in both mixed-use communities and bespoke one-off locations materially differs from that of HHH. The separation allows Seaport Entertainment to pursue such acquisition opportunities, which may not have been pursued while the Seaport Entertainment business was owned by HHH. Seaport Entertainment can also manage its capital structure over the long-term as appropriate for the company.
- *Growth Opportunities.* The separation of Seaport Entertainment from HHH allows each company to pursue attractive growth opportunities in areas that align with its respective core competencies. With a well-capitalized balance sheet and liquidity, Seaport Entertainment expects to have the financial flexibility to pursue its business plan and seek to expand its scalable platform across multiple verticals within the entertainment and hospitality industries.

- *Organizational Efficiency.* Separating the Seaport Entertainment business from the remainder of HHH provides both companies with dedicated and experienced management teams and other key personnel to drive enhanced efficiencies across the organization, coupled with dedicated focus and attention to their respective assets, which will better position both companies to achieve their financial and commercial goals.

- *Direct and More Efficient Access to the Capital Markets.* The separation provides Seaport Entertainment with direct access to the capital markets, as demonstrated by the Rights Offering post separation. As a result, Seaport Entertainment will be able to more efficiently manage its capital structure in a manner more closely tailored to the company's business plan.

- *Clarity for the Investment Community.* Separating Seaport Entertainment from HHH provides existing and potential investors with greater transparency and better highlights the tailored investment opportunities presented by HHH and Seaport Entertainment. Over time, this should allow Seaport Entertainment ownership to shift to a shareholder base whose investment goals are more closely aligned with Seaport Entertainment's business.

- *Potential Value Creation.* Following the separation, Seaport Entertainment will be fully dedicated to realizing shareholder value through stabilizing its existing real estate portfolio, executing on its development pipeline, expanding of partnerships and pursuing strategic acquisitions that capitalize on industry trends. Similarly, the separation of entertainment-related assets from Howard Hughes will allow HHH to better focus on driving outsized performance within its core portfolio of MPCs.

- *Create Targeted Equity Currency.* The separation will result in each of HHH and Seaport Entertainment having publicly traded equity that may be a more attractive acquisition currency to related business owners seeking investment diversification and liquidity through a combination with Seaport Entertainment or HHH. Similarly, this targeted equity can be used for management incentive programs that should help Seaport Entertainment and HHH attract and retain talented employees seeking opportunities more closely aligned with each company's respective business plan. In addition, Seaport Entertainment's and HHH's management's and employees' equity incentive compensation will more directly align with Seaport Entertainment's and HHH's respective performances. The incentives of management and employees will therefore be more closely aligned with the performance of their respective business.

The HHH Board also considered certain aspects of the separation that may be adverse to us. Our common stock may come under initial selling pressure as certain HHH stockholders sell their shares in us because they are not interested in holding an investment in our business. Because we will no longer be part of HHH, the separation will also affect the terms upon which we can pursue cross-company business transactions and initiatives with HHH's other businesses. As a result of the separation, we will bear significant incremental costs associated with being a publicly-held company and will need to absorb certain corporate and operational support costs previously allocated to HHH.

The HHH Board concluded that the potential benefits of the separation outweighed these factors. See "The Separation and Distribution—Reasons for the Separation" and "Risk Factors."

Risk Factors Summary

An investment in shares of our common stock is subject to a number of risks, including risks relating to the separation, the successful implementation of our strategy and the ability to grow our business. The following list of risk factors is not exhaustive. See "Risk Factors" for a more thorough description of these and other risks.

Risks Related to Our Business and Our Industry

- Our portfolio has experienced, and is expected to continue to experience, significant negative operating cash flow for the foreseeable future, along with net losses. We require substantial cash, and, in the event that our management team is unsuccessful in achieving its business plan quickly enough, we may be forced

to change our business plan, dispose of assets and/or take other actions, which could materially adversely affect our financial condition and results of operations.

- In the event that our anticipated Rights Offering does not close, or results in less proceeds than expected, we will have less liquidity than expected and be forced to change our business model and dispose of assets, or take other actions, which could materially adversely affect our business, financial condition, results of operations and cash flows.
- Although our financial statements have been prepared on a going concern basis, our independent auditors in their report accompanying our combined financial statements for the year ended December 31, 2023 believe that our recurring losses from operations and other factors have raised substantial doubt about our ability to continue as a going concern as of December 31, 2023.
- Our business is dependent on discretionary consumer spending patterns and, as a result, could be materially, adversely impacted by an economic downturn, recession, financial instability, inflation or changes in consumer tastes and preferences.
- Downturn in tenants' businesses may reduce our revenues and cash flows.
- We may be unable to renew leases, lease vacant space or re-lease space as leases expire.
- The operational results of some of our assets may be volatile, especially the Seaport, which could have an adverse effect on our financial condition and results of operations.
- Significant competition could have an adverse effect on our business.
- The concentration of our properties in Manhattan and Las Vegas exposes our revenues and the value of our assets to adverse changes in local economic conditions.
- Some of our properties are subject to potential natural or other disasters, including those and other adverse effects resulting from climate change. Water and electricity shortages could also have an adverse effect on our business.
- If we are unable to make strategic acquisitions, develop and maintain strategic partnerships or enter into joint venture arrangements with strategic partners, our growth may be adversely affected, and we may not realize the expected benefit from such endeavors.
- We are exposed to risks associated with the development, redevelopment or construction of our properties.
- Cybersecurity risks and incidents, such as a breach of the Company's privacy or information security systems, or those of our vendors or other third parties, could compromise our information and expose us to liability, which would cause our business and reputation to suffer.

Risks Related to Our Sports Assets

- Our sports assets face intense and wide-ranging competition, which may have a material negative effect on our business and results of operations.
- Our business is substantially dependent on the continued popularity and/or competitive success of the Aviators, which cannot be assured.

Financial Risks

- We will be unable to develop, redevelop or expand our properties without sufficient capital or financing.
- Our current and future indebtedness, including restrictions in the agreements governing such indebtedness, and changing interest rates could adversely affect our business, prospects, financial condition or results of operations and prevent us from fulfilling our financial obligations.

Regulatory, Legal and Environmental Risks

- Government regulations and legal challenges may delay the start or completion of the development of our properties, increase our expenses or limit our building or other activities.
- We may be subject to increased compliance costs to comply with new and contemplated government regulations relating to energy standards and climate change.
- We may be subject to potential costs to comply with environmental laws.

Risks Related to the Separation and Our Relationship with HHH

- We have no history of operating as a separate, publicly traded company, and our historical and pro forma financial information is not necessarily representative of the results that we would have achieved as a separate, publicly traded company and may not be a reliable indicator of our future results.
- Future sales of our common stock, or the perception that such sales may occur, could depress our common stock price.
- We may not achieve some or all of the expected benefits of the separation, and the separation may adversely affect our business.
- If the distribution fails to qualify as a distribution under Section 355 of the Code, HHH stockholders could incur significant adverse tax consequences, and we could be required to indemnify HHH for certain tax consequences that could be material. Even if the distribution qualifies as a distribution under Section 355 of the Code, certain non-U.S. HHH stockholders could incur significant adverse tax consequences.

Risks Related to Our Common Stock

- We cannot be certain that an active trading market for our common stock will develop or be sustained after the separation, and following the separation, the price of our common stock may fluctuate significantly.

Emerging Growth Company Status

We are an "emerging growth company," as defined by the Jumpstart Our Business Startups Act of 2012. We will continue to be an emerging growth company until the earliest to occur of the following:

- the last day of the fiscal year in which our total annual gross revenues first meet or exceed $1.235 billion (as adjusted for inflation);
- the date on which we have, during the prior three-year period, issued more than $1.0 billion in non-convertible debt;
- the last day of the fiscal year in which we (i) have an aggregate worldwide market value of common stock held by non-affiliates of $700 million or more (measured at the end of each fiscal year) as of the last business day of our most recently completed second fiscal quarter and (ii) have been a reporting company under the Securities Exchange Act of 1934 (the "Exchange Act") for at least one year (and have filed at least one annual report under the Exchange Act); and
- the last day of the fiscal year following the fifth anniversary of the date of our separation from HHH.

For as long as we are an emerging growth company, we may take advantage of certain exemptions from various reporting requirements that are applicable to other public companies that are not emerging growth companies, including, but not limited to, not being required to comply with the auditor attestation requirements in the assessment of our internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act of 2002 (the "Sarbanes-Oxley Act"), exemption from new or revised financial accounting standards applicable to public companies until such standards are also applicable to private companies, reduced disclosure obligations regarding executive compensation in our periodic reports, proxy statements and registration statements, and exemptions from

the requirement of holding a nonbinding advisory vote on executive compensation and stockholder approval on golden parachute compensation not previously approved. We may choose to take advantage of some or all of these reduced burdens. For example, we have taken advantage of the reduced disclosure obligations regarding executive compensation in this information statement. For as long as we take advantage of the reduced reporting obligations, the information we provide stockholders may be different from information provided by other public companies. In addition, it is possible that some investors will find our common stock less attractive as a result of these elections, which may result in a less active trading market for our common stock and higher volatility in the price of our common stock.

We have elected to not take advantage of the extended transition period that allows an emerging growth company to delay the adoption of certain accounting standards until those standards would otherwise apply to private companies, which means that the financial statements included in this information statement, as well as financial statements we file in the future, will be subject to all new or revised accounting standards generally applicable to public companies. Our election not to take advantage of the extended transition period is irrevocable.

Corporate Information

We were incorporated in Delaware on January 24, 2024 for the purpose of holding HHH's Seaport Entertainment business in connection with the separation and the distribution. Prior to the separation, which is expected to occur immediately prior to completion of the distribution, we had no operations. The address of our principal executive offices is 199 Water Street, 28th Floor, New York, New York 10038. Our telephone number is (212) 732-8257.

We maintain an internet website at . Our website, and the information contained on or accessible through our website, is not incorporated by reference in this information statement.

Reason for Furnishing this Information Statement

This information statement is being furnished solely to provide information to HHH stockholders who will receive shares of our common stock in the distribution. This information statement is not, and should not be construed as, an inducement or encouragement to buy or sell any securities. The information in this information statement is believed by us to be accurate as of the date set forth on its cover. Changes may occur after that date, and neither we nor HHH will update the information except in the normal course of our and HHH's respective disclosure obligations and practices.

SUMMARY HISTORICAL AND UNAUDITED PRO FORMA COMBINED FINANCIAL DATA

The following summary historical and unaudited pro forma combined financial data reflects the combined financial statements of the Seaport Entertainment division of HHH. We derived the combined statement of operations data for the three months ended March 31, 2024 and March 31, 2023 and the combined balance sheet data as of March 31, 2024, as set forth below, from our historical unaudited condensed combined financial statements, which are included elsewhere in this information statement.We derived the summary historical combined statement of operations data for the years ended December 31, 2023, December 31, 2022 and December 31, 2021 and the summary historical combined balance sheet data as of December 31, 2023 and December 31, 2022, as set forth below, from our historical combined financial statements, which are included elsewhere in this information statement. We derived the summary unaudited pro forma combined statement of operations data for the three months ended March 31, 2024 and the fiscal year ended December 31, 2023, and the summary unaudited pro forma combined balance sheet data as of March 31, 2024, as set forth below, from our unaudited pro forma combined financial information included in the "Unaudited Pro Forma Combined Financial Statements" section of this information statement.

We have historically operated as part of HHH and not as a separate, publicly traded company. Our combined financial statements have been derived from HHH's historical accounting records and are presented on a carve-out basis. All revenues, expenses, assets, and liabilities directly associated with our business activity are included as a component of the pro forma combined financial statements. The pro forma combined financial statements also include expense allocations for certain support functions that are provided on a centralized basis within HHH. While these allocations have been determined on a reasonable basis, the amounts are not necessarily representative of the amounts that would have been reflected in the combined financial statements had we been an entity that operated separately from HHH during the periods presented.

The summary unaudited pro forma combined financial data presented has been prepared to reflect the transactions described in the section entitled "Unaudited Pro Forma Combined Financial Statements" (the "Transactions"). The summary unaudited pro forma combined financial data has been derived from our unaudited pro forma combined financial statements included elsewhere in this information statement. The unaudited pro forma combined statement of operations data for the three months ended March 31, 2024 and the year ended December 31, 2023, gives effect to the Transactions as if they had occurred on January 1, 2023, the first day of fiscal 2023. The unaudited pro forma combined balance sheet data reflects our financial condition as if the Transactions had occurred on March 31, 2024, our latest balance sheet date. The assumptions used and pro forma adjustments derived from such assumptions are based on currently available information.

The summary unaudited pro forma combined financial statements are not necessarily indicative of our results of operations or financial condition had the Transactions been completed on the dates assumed. Also, they may not reflect the results of operations or financial condition that would have resulted had we been operating as a separate, publicly traded company during such periods. In addition, they are not necessarily indicative of our future results of operations, financial condition or cash flows.

This summary historical and pro forma combined financial data should be reviewed in combination with the sections entitled "Unaudited Pro Forma Combined Financial Statements," "Capitalization" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the combined financial statements and accompanying notes included elsewhere in this information statement. The unaudited pro forma combined financial information constitutes forward-looking information and is subject to certain risks and uncertainties that

could cause actual results to differ materially from those anticipated. See "Cautionary Statement Concerning Forward-Looking Information" included elsewhere in this information statement.

(unaudited) *(in thousands)*	Pro Forma For the three months ended March 31, 2024 (Unaudited)	Historical Three months ended March 31, 2024	 2023
Selected Statements of Operations Data:			
Sponsorships, events, and entertainment revenue	$ 4,180	$ 4,180	$ 4,081
Hospitality revenue	4,004	4,004	5,222
Rental revenue	6,447	6,447	5,442
Other revenue	23	23	3
Total revenues	**14,654**	**14,654**	**14,748**
Operating expenses[(1)]	20,333	20,333	22,006
General and administrative	16,554	16,554	5,456
Depreciation and amortization	8,074	8,074	13,230
Operating loss	**(31,252)**	**(31,252)**	**(26,307)**
Equity in losses from unconsolidated ventures	(10,280)	(10,280)	(10,820)
Net loss	**(43,448)**	**(44,078)**	**(37,757)**

(1) Operating expenses as presented in the table above includes (1) Sponsorships, Events, and Entertainment costs, (2) Hospitality costs and (3) Operating costs.

(in thousands)	Pro Forma For the year ended December 31, 2023 (Unaudited)	Historical For the year ended December 31, 2023	 2022	 2021
Selected Statements of Operations Data:				
Sponsorships, events, and entertainment revenue	$ 60,623	$ 60,623	$ 55,724	$ 41,504
Hospitality revenue	32,951	32,951	42,565	29,632
Rental revenue	22,096	22,096	19,810	7,978
Other revenue	8	8	947	3,506
Total revenues	**115,678**	**115,678**	**119,046**	**82,620**
Operating expenses[(1)]	120,117	120,117	120,849	98,773
General and administrative	51,137	30,536	16,977	17,214
Depreciation and amortization	48,432	48,432	47,356	41,612
Provision for impairment	672,492	672,492	—	—
Operating loss	**(777,007)**	**(756,406)**	**(66,671)**	**(75,919)**
Equity in losses from unconsolidated ventures	(80,633)	(80,633)	(37,124)	(1,988)
Net loss	**(859,571)**	**(838,065)**	**(111,277)**	**(80,866)**

(1) Operating expenses as presented in the table above includes (1) Sponsorships, Events, and Entertainment costs, (2) Hospitality costs and (3) Operating costs.

(in thousands)	Pro Forma	Historical		
	As of March 31, 2024 (Unaudited)	As of March 31, 2024 (Unaudited)	As of December 31,	
			2023	2022
Balance Sheet Data:				
Cash and cash equivalents and restricted cash	$ 242,407	$ 44,130	$ 43,845	$ 66,713
Total assets	809,933	614,729	616,813	1,314,515
Total liabilities	174,000	225,597	231,920	218,329
Total equity	635,933	389,132	384,893	1,096,186
Total liabilities and equity	809,933	614,729	616,813	1,314,515

RISK FACTORS

You should carefully consider the risks and uncertainties described below, together with the information included elsewhere in this information statement. The risks and uncertainties described below are those that we deem currently to be material, and do not represent all of the risks that we face. Additional risks and uncertainties not presently known to us or that we currently do not consider material may in the future become material and impair our business operations. If any of the following risks actually occur, our business could be materially harmed, our financial condition, results of operations and prospects could be materially and adversely affected, and the value of our securities could decline significantly.

Risks Related to Our Business and Our Industry

Our portfolio has experienced, and is expected to continue to experience, significant negative operating cash flow for the foreseeable future, along with net losses. We require substantial cash, and, in the event that our management team is unsuccessful in achieving its business plan quickly enough, we may be forced to change our business plan, dispose of assets and/or take other actions, which could materially adversely affect our financial condition and results of operations. Such actions could also affect the tax treatment of the distribution to HHH and its stockholders, which could result in a material indemnification obligation pursuant to the tax matters agreement.

We have a history of incurring net losses, and we currently expect to experience negative operating cash flow for the foreseeable future. For the quarter ended March 31, 2024, we incurred a net loss of $44.1 million. For the years ended December 31, 2023 and 2022, we incurred net losses of $838.1 million ($128.6 million excluding an impairment charge of $672.5 million for our assets and $37.0 million for unconsolidated ventures) and $111.3 million, respectively. We had negative operating cash flows of $18.8 million for the quarter ended March 31, 2024 and $50.8 million and $29.5 million for the years ended December 31, 2023 and 2022, respectively. Historically, our portfolio has required support in the form of contributions from HHH to fund our operations and meet our obligations, with net transfers from HHH of $47.7 million for the quarter ended March 31, 2024 and $125.3 million and $239.6 million for the years ended December 31, 2023 and 2022, respectively. We do not expect to receive additional funding from HHH after the separation and distribution.

Additionally, our business model is cash intensive. The campus nature of our Seaport portfolio requires a higher level of overhead because expenses like cleaning and security are not directly correlated to the occupancy in one building. Instead, overhead costs are largely correlated to the activation of the entire district for retail, events, sponsorships and food and beverage operations. In addition, our management's business plan depends significantly on leasing up our existing Seaport assets, which we expect will involve significant capital expenditures. For instance, the portfolio of assets within Landlord Operations at the Seaport was 67% leased and 66% occupied as of March 31, 2024, and we are focused on leasing this space. As of March 31, 2024, approximately 50% of our existing office space was leased and occupied in the Seaport, and we are actively seeking to lease the vacant space, which may involve converting space from office to hospitality uses. We are also focused on leasing other available retail space at the Seaport, of which 59% was leased and occupied as of the same period-end. Such leasing activities will require significant capital expenditures in addition to the substantial capital expenditures necessary or the ongoing operation of our portfolio.

We cannot offer any assurance as to our future financial results, and, as noted above, we currently expect to experience significant negative operating cash flow and net losses for the foreseeable future. Our inability to achieve positive cash flow from our current operating plans over time or to raise capital to cover anticipated shortfall would have a material adverse effect on our business, financial condition, results of operations and ability to implement our business plan, and could have a material adverse effect on our ability to meet our obligations as they become due, which could force us to change our business plans, dispose of assets and/or take other action in order to continue to operate. In addition, such actions could affect the tax treatment of the distribution to HHH and its stockholders, and if so, we could be required to indemnify HHH for certain tax consequences that could be material pursuant to indemnification obligations under the tax matters agreement. See "—Risks Related to the Separation and Our Relationship with HHH."

In the event that our anticipated Rights Offering does not close, or results in less proceeds than expected, we will have less liquidity than expected and be forced to change our business model and dispose of assets, or take other actions, which could materially adversely affect our business, financial condition, results of operations and cash flows.

We expect to commence a $175 million Rights Offering following the separation and distribution. We are also in serious discussions with Pershing Square regarding a potential backstop agreement which would be entered into prior to the distribution. Pursuant to that agreement, if finalized, Pershing Square would agree to (i) exercise its pro rata subscription right with respect to the Rights Offering and (ii) purchase any remaining shares that are not subscribed for in the Rights Offering, up to $175 million in the aggregate; however, we can provide no assurance that we will receive the anticipated proceeds from the Rights Offering or enter into the backstop agreement. The backstop agreement, if finalized, would have customary closing conditions, including there having been no material adverse effect on our business. Additionally, we would expect the obligations of Pershing Square under the backstop agreement to expire 90 days from the execution of the backstop agreement, so if the Rights Offering were to close after such date, we cannot assure you of the amount of proceeds that we would receive in the Rights Offering, if any. In the event that we do not receive the full proceeds expected from the Rights Offering and/or the potential backstop agreement, whether due to a material adverse effect having impacted our business, market conditions having resulted in the abandonment or a delay in the Rights Offering or other reasons, we will have less liquidity than expected, which would exacerbate the risks described in this information statement.

Although our financial statements have been prepared on a going concern basis, our independent auditors in their report accompanying our combined financial statements for the year ended December 31, 2023 believe that our recurring losses from operations and other factors have raised substantial doubt about our ability to continue as a going concern as of December 31, 2023.

Our audited financial statements for the fiscal year ended December 31, 2023 were prepared on a going concern basis in accordance with generally accepted accounting principles in the United States ("GAAP"). The going concern basis presumes that for the foreseeable future, funds will be available to finance future operations and that the realization of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business. However, our independent auditors in their report accompanying our consolidated financial statements for the year ended December 31, 2023 believe that our recurring losses from operations and other factors have raised substantial doubt about our ability to continue as a going concern as of December 31, 2023. As noted above, we have a history of incurring net losses and have experienced and expect to continue to experience negative operating cash flow for the foreseeable future. Historically, we required funding in the form of contributions from HHH to fund our operations and meet our obligations, and we do not expect to receive additional funding from HHH after the separation and distribution. We cannot offer any assurance as to our future financial results, and we currently expect to experience negative operating cash flow for the foreseeable future. While we believe that our existing cash balances, restricted cash balances, funds provided by HHH prior to the separation and distribution, along with expected borrowing capacity, as well as the proceeds of our anticipated Rights Offering and the related potential backstop commitment, taken as a whole, will provide adequate liquidity to meet all of our current and long-term obligations when due, including our third-party mortgages payable, and adequate liquidity to fund capital expenditures and redevelopment projects, including our working capital and capital expenditure needs for the next twelve months, we cannot provide assurances that we will raise the expected proceeds from our anticipated Rights Offering and the related potential backstop commitment, or that we will be able to secure additional funding on terms acceptable to us, or at all, if and when needed. Our inability to achieve positive cash flow from our current operating plans over time or to raise capital to cover shortfalls would have a material adverse effect on our business, financial condition, results of operations and our ability to implement our business plan, and could have a material adverse effect on our ability to meet our obligations as they become due, which could force us to curtail our operations or take other action in order to continue to operate.

Our business is dependent on discretionary consumer spending patterns and, as a result, could be materially, adversely impacted by an economic downturn, recession, financial instability, inflation or changes in consumer tastes and preferences.

Our business depends in part on consumers spending discretionary dollars at our assets. Consumer spending has in the past declined, and may in the future decline at any time, for reasons beyond our control, including as a result of economic downturns or recessions, unemployment and consumer income levels, financial market volatility, credit conditions and availability, inflation, rising interest rates, increases in theft or other crime, pandemics or other public health concerns and changes in consumer preferences. The risks associated with our businesses and described herein may become more acute in periods of a slowing economy or recession. In addition, instability and weakness in the U.S. and global economies, including due to the effects caused by disruptions to financial markets, high inflation, high interest rates, recession, high unemployment, geopolitical events and the negative effects on consumer confidence and consumers' discretionary spending, have in the past negatively affected, and may in the future materially negatively affect, our business and operations. For example, the restaurant and hospitality industry is highly dependent on consumer confidence and discretionary spending. Economic, political or social conditions or events that adversely impact consumers' ability or willingness to dine out could, in turn, adversely impact our revenues related to JG and the Seaport. If such conditions or events were to persist for an extended period of time or worsen, our overall business and results of operations may be adversely affected.

Downturn in tenants' businesses may reduce our revenues and cash flows.

A tenant may experience a downturn in its business, due to a variety of factors including rising inflation or interest rates or supply chain issues, which may weaken its financial condition and result in its failure to make timely rental payments or result in defaults under our leases. For example, certain of our tenants experienced supply chain issues during the COVID-19 pandemic, as well as in connection with Hurricane Ida in 2021, and although none of these issues resulted in a material adverse impact on our business, similar events in the future could adversely affect us. The rate of defaults may increase from historical levels due to tenants' businesses being negatively impacted by higher interest rates. In the event of default by a tenant, we may experience delays in enforcing our rights as the landlord and may incur substantial costs in protecting our investment.

We may be unable to renew leases, lease vacant space or re-lease space as leases expire.

We cannot provide any assurance that existing leases, including one lease at Pier 17 that is set to expire in December 2025 and that represented approximately 12% of our total 2023 rental revenues, will be renewed, that we will be able to lease vacant space or re-lease space as leases expire or that our rental rates will be equal to or above the current rental rates previously negotiated by HHH. The assets within Landlord Operations at the Seaport were 67% leased as of March 31, 2024, and we are focused on improving occupancy levels at these assets; however, no assurance can be given that we will be successful in leasing this space. If the average rental rates for our properties decrease, existing tenants do not renew their leases, vacant space is not leased or available space is not re-leased as leases expire, our financial condition, results of operations, cash flows, the quoted trading price of our securities and our ability to satisfy our debt service obligations at the affected properties could be adversely affected.

The operational results of some of our assets may be volatile, especially the Seaport, which could have an adverse effect on our financial condition and results of operations.

The Seaport's operational results have been and may in the future be volatile. The volatility is largely the result of: (i) seasonality; (ii) potential sponsorship revenue; (iii) potential event revenue; (iv) demand for rentable space; and (v) business operating risks from various start-up businesses. We own, either wholly or through joint ventures, and in some instances operate, several start-up businesses in the Seaport. As a result, the revenues and expenses of these businesses directly impact the net operating income of the Seaport, which could have an adverse effect on our financial condition and results of operations.

For example, seasonality has a significant impact on our Seaport business due to weather conditions, New York City tourism and other factors, with the majority of Seaport's revenue generated between May and October. Similarly, in In Las Vegas, we are significantly impacted by the baseball season, with a significant portion of our Sponsorship, Events, and Entertainment segment revenue generated between April and September. As a result, our

total revenues tend to be higher in the second and third quarters, and our quarterly results for any one quarter or in any given fiscal year may not be indicative of results to be expected for any other quarter or year. Additionally, during periods of extreme temperatures (either hot or cold) or precipitation, we may experience significant reductions in consumer traffic, which could adversely affect our assets and our business as a whole. For example, operational results related to our Seaport business in 2023 were impacted by a 63% year-over-year increase in total rainfall during peak visitation months (May through September) and an 80% year-over-year increase in total rainfall during peak days (Friday through Sunday).

Additionally, our investment in JG and the related development of the Tin Building are both relatively new, and uncertainty around those investments could also contribute to volatile results.

Significant competition could have an adverse effect on our business.

The nature and extent of the competition we face depend on the type of property. Because our existing portfolio consists of entertainment-related assets, these properties compete for consumers and their discretionary dollars with other forms of entertainment, leisure and recreational activities. This competition is particularly intense in Manhattan and in the Las Vegas area, where most of our assets are located. The success of our business depends in part on our ability to anticipate and respond quickly to changing consumer tastes, preferences and purchasing habits. Many of the entities operating competing businesses are larger and have greater financial resources, have been in business longer, or have greater name recognition, and as a result may be able to invest greater resources than we can in attracting consumers to our properties. Certain of our assets will depend on our ability to attract concerts and other events to our venues, and in turn the ability of performers to attract strong attendance.

JG, in which we own a 25% stake, competes in the restaurant industry with national, regional and locally-owned or operated restaurants, an industry characterized by the continual introduction of new concepts and subject to rapidly changing consumer preferences, tastes, trends and eating and purchasing habits. A substantial number of restaurants compete with JG for customers, consumer dollars, restaurant locations and qualified management and other restaurant staff.

Numerous residential and commercial developers, some with greater financial and other resources, compete with us in seeking resources for development and prospective purchasers and tenants. Competition from other real estate developers may adversely affect our ability to attract and retain experienced real estate development personnel or obtain construction materials and labor. These competitive conditions can adversely affect our results of operations and financial condition.

Additionally, there are numerous shopping facilities that compete with our operating retail properties in attracting retailers to lease space. In addition, retailers at these properties face continued competition from other retailers, including internet retailers. Competition of this type could adversely affect our results of operations and financial condition. In addition, we compete with other major real estate investors and developers, many of whom have lower costs of, and superior access, to capital for attractive investment and development opportunities.

The concentration of our properties in Manhattan and Las Vegas exposes our revenues and the value of our assets to adverse changes in local economic conditions.

The properties we own are located in the same or a limited number of geographic regions, largely Manhattan and the Las Vegas area. Our current and future operations at the properties in these areas are generally subject to significant fluctuations caused by various factors that are beyond our control such as the regional and local economies, which may be negatively impacted by material relocation by residents, industry slowdowns, increased unemployment, lack of availability of consumer credit, levels of consumer debt, adverse weather conditions, natural disasters, climate change and other factors, as well as the local real estate conditions, such as an oversupply of, or a reduction in demand for, retail space or retail goods and the availability and creditworthiness of current and prospective tenants.

In addition, some of our properties are subject to various other factors specific to those geographic areas. For example, tourism is a major component of the local economies in lower Manhattan and in the Las Vegas area, so our properties in those areas are susceptible to factors that affect travel and tourism related to these areas, including cost

and availability of air services and the impact of any events that disrupt air travel to and from these regions. Moreover, these properties may be affected by risks such as acts of terrorism and natural disasters, including major fires, floods, droughts and heat waves, as well as severe or inclement weather, which could also decrease tourism activity.

Given that the majority of our revenue comes from the Seaport in Manhattan, we are also particularly vulnerable to adverse events (including acts of terrorism, threats to public safety, natural disasters, epidemics, pandemics, weather conditions, labor market disruptions and government actions) and economic conditions in New York City and the surrounding areas. For example, the Seaport's operations and operating results were materially impacted by the COVID-19 pandemic and New York state and city laws and regulations regarding lockdowns and capacity restrictions. Declines or disruptions in certain industries—for example, the financial services or media sectors—may also have a significant adverse effect on the New York City economy or real estate market, which could disproportionately impact on our business.

Further, our assets in the Las Vegas area are to some degree dependent on the gaming industry, which could be adversely affected by changes in consumer trends and preferences and other factors over which we have no control. The gaming industry is characterized by an increasingly high degree of competition among a large number of participants, including land-based casinos, video lottery, sweepstakes and poker machines, many of which are located outside of Las Vegas. Such increased competition could have a negative impact on the local Las Vegas economy and result in an adverse effect on our assets in the Las Vegas area. The success of our assets in the Las Vegas area may also be negatively impacted by changes in temperature due to climate change, increased stress on water supplies caused by climate change and population growth and other factors over which we have no control.

If any or all of the factors discussed above were to occur and result in a decrease in the revenue derived from assets in any of these geographic regions, it would likely have a material adverse effect on our business, financial condition and results of operations.

Some of our properties are subject to potential natural or other disasters.

Our properties are located in areas which are subject to natural or other disasters, including hurricanes, floods, wild fires, heat waves and droughts. We cannot predict the extent of damage that may result from such adverse weather events, which depend on a variety of factors beyond our control. Whether such events are caused or exacerbated by global climate changes or other factors, our properties in Manhattan, a coastal region, could be affected by increases in sea levels, the frequency or severity of hurricanes and tropical storms, or environmental disasters, and our properties in the Las Vegas area could be negatively impacted by changes in temperature or increased stress on water supplies. Additionally, adverse weather events can cause widespread property damage and significantly depress the local economies in which we operate and have an adverse impact on our business, financial condition and operations.

Climate change may adversely affect our business.

As a result of climate change, we may experience extreme weather and changes in precipitation and temperature, all of which may result in physical damage or a decrease in demand for our properties located in the areas affected by these conditions. Should the impact of climate change be material in nature or occur for lengthy periods of time, our financial condition and results of operations would be adversely affected. In addition, many state and local governments are adopting or considering adopting regulations requiring that property owners and developers include in their development or redevelopment plans resiliency measures to address climate-change related risks. We may be required to incur substantial costs if such regulations apply to any of our properties. There are also increasing expectations on climate and other sustainability matters from various investors, consumers and other stakeholders, and our actual or perceived sustainability performance and disclosures may impact these stakeholders' interest in our company or our real estate. Moreover, various policymakers, including the SEC and the State of New York, have adopted or are considering adopting laws requiring disclosure of certain climate-related information, which may require additional costs for us to comply. Our tenants and suppliers may be subject to similar risks, which may indirectly impact us as well.

Water and electricity shortages could have an adverse effect on our business, financial condition and results of operations.

Drought conditions and increased temperature—particularly in the Las Vegas, Nevada region—could cause our assets to experience water and electricity shortages. The lack or reduced availability of electricity or water may make it more difficult or expensive for us to operate our businesses and obtain approvals for new developments and could limit, impair or delay our ability to develop or sell, or increase the cost of developing, our assets in the relevant areas.

If we are unable to make strategic acquisitions and develop and maintain strategic partnerships, our growth may be adversely affected, and we may not realize the expected benefit from acquisitions and partnerships.

As part of our long-term business strategy, we intend to opportunistically seek out acquisitions and utilize strategic partnerships. There are no assurances, however, that attractive acquisition or strategic partnership opportunities will arise, or if they do, that they will be consummated, or that any needed additional financing for such opportunities will be available on satisfactory terms when required. We cannot provide assurances that acquired assets will be successfully integrated into our operations or that they will perform in accordance with our expectations, nor can we provide assurances that strategic partnerships will be successful or that our relationships with our partners will continue to be mutually beneficial. If attractive acquisitions cannot be identified and successfully consummated, or if strategic partnerships cannot be established or successfully maintained, it could negatively impact our business, financial condition and results of operations.

We are party to numerous joint venture arrangements with strategic partners, and our business strategy may include seeking to enter into new joint venture arrangements, as well as expanding relationships with our existing strategic partners. Our strategic partners may have interests that are different from ours. Furthermore, we rely on certain of our joint venture partners to provide management services at certain of our restaurants and operations, and if we were no longer able to rely on such partnerships for those services, we would be required to find an alternative; we can provide no assurances as to our success in finding a new management partner or providing such services internally.

We currently have entered and may intend to enter into additional joint venture partnerships, such as with respect to (a) our 25% interest in JG and (b) the Fashion Show Mall Air Rights. Our joint venture partners may bring local market knowledge and relationships, development experience, industry expertise, financial resources, financing capabilities, brand recognition and credibility or other competitive advantages. In the future, we may not have sufficient resources, experience and/or skills to locate desirable partners, including in the event that we determine to expand our operations outside of our current locations in New York and Las Vegas. For example, our New York location currently relies on a wholly owned subsidiary of JG, Creative Culinary Management Company, to provide management services for certain retail and food and beverage businesses that the Company owns, either wholly or through partnerships with third parties, including the Tin Building by Jean-Georges, The Fulton and Malibu Farm. Pursuant to various management agreements, CCMC is responsible for employment and supervision of all employees providing services for the food and beverage operations and restaurant as well as the day-to-day operations and accounting for the food and beverage operations. In the event that JG determines no longer to contract with us, we determine to expand our operations to locations that are not managed by JG or we conclude that it is in our best interest to internalize these services, we would either be required to find a new management partner or to provide such services internally. Whether we would be successful in finding a suitable management partner or in providing such services internally cannot be assured. We also may not be able to identify and attract partners who want to conduct business in the locations where our properties are located or may be located in the future, and who have the assets, reputation or other characteristics that would enhance our growth strategies.

While we generally participate in making decisions for our jointly owned properties and assets, we might not always have the same objectives as the partner in relation to a particular asset, and we might not be able to formally resolve any issues that arise. In addition, actions by a partner may subject property owned by the joint venture to liabilities greater than those contemplated by the joint venture agreements, be contrary to our instructions or requests or result in adverse consequences. In many instances we do not exercise control over decisions made with respect to our joint ventures or their assets, and decisions may be made that are detrimental to our interests. Furthermore, we

have made, and expect to continue to seek to make, investments in unconsolidated ventures that we do not control and account for under the equity method. We rely on the information, including financial information, prepared by these ventures to monitor our investments and prepare our financial statements. Errors in the financial statements or other information provided to us could lead to errors in our financial statements.

The bankruptcy or, to a lesser extent, financial distress of any of our joint venture partners could materially and adversely affect the relevant property or properties. If this occurred, we would be precluded from taking some actions affecting the estate of the other investor without prior court approval which would, in most cases, entail prior notice to other parties and a hearing. At a minimum, the requirement to obtain court approval may delay the actions we would or might want to take. If the relevant joint venture through which we have invested in a property has incurred recourse obligations, the discharge in bankruptcy of one of the other partners might result in our ultimate liability for a greater portion of those obligations than would otherwise be required.

Several of our properties and our tenants depend on frequent deliveries of food, alcohol and other supplies, which subjects us to risks of shortages, interruptions and price fluctuations for those goods.

The ability of several of our properties, including JG, and some of our tenants to maintain consistent quality service depends in part on their ability to acquire fresh, quality products from reliable sources. If there were any major shortages, interruptions or significant price fluctuations for certain fresh, quality products or if suppliers were unable to perform adequately or fail to distribute products or supplies to our properties or the properties of our tenants, or terminate or refuse to renew any contract with them, this could adversely affect our business and results of operations.

In addition, JG and certain of our tenants purchase beer, wine and spirits from distributors who own the exclusive rights to sell such alcoholic beverage products in the geographic areas in which we are located. The continued ability to purchase certain brands of alcoholic beverages depends upon maintaining relationships with those distributors, of which there can be no assurance. If any of our or our tenants' alcohol beverage distributors cease to supply them, they may be forced to offer brands of alcoholic beverage which have less consumer appeal, which could adversely affect our business and results of operations.

We are exposed to risks associated with the development, redevelopment or construction of our properties, including the potential redevelopment at 250 Water Street and in connection with our Fashion Show Mall Air Rights.

Two of our current assets are in pre- or early-development stages. Seaport includes 250 Water Street, a one-acre development site approved for 547,000 zoning square feet of market rate and affordable housing, office, retail and community gathering space. Building of the foundation at 250 Water Street commenced in the second quarter of 2022. In the final quarter of 2023, the State of New York Department of Environmental Conservation issued a certificate of completion for the site stating that site clean-up had been completed to a level consistent with planned site uses. Site development will need to include certain environmental measures, including to mitigate vapor intrusion and address noise attenuation. For additional details, see "—Regulatory, Legal and Environmental Risks—We may be subject to potential costs to comply with environmental laws." Another of our assets is the Fashion Show Mall Air Rights, which is a contractual right to form a joint venture to hold an 80% managing member interest in a to-be-formed entity that would own the air rights above the Fashion Show mall in Las Vegas, Nevada, as well as the exclusive right to develop such air rights. Various local, state and federal statutes, ordinances, rules and regulations concerning building, health and safety, site and building design, environment, zoning, sales and similar matters apply to and/or affect the real estate development industry. Completion of development activities at 250 Water Street and initiation of development activities in connection with Fashion Show Mall Air Rights are complex processes and subject to numerous factors and contingencies, including market conditions, financing and additional approvals. We are currently evaluating all strategic alternatives before proceeding further with any development activities. There can be no guarantee of when or if either of these potential developments will be completed or, if they are completed, reach subsequent stabilization or achieve profitability.

Our development, redevelopment and construction activities, including at 250 Water Street and in connection with our Fashion Show Mall Air Rights, expose us to risks such as:

- inability to obtain construction financing for the development or redevelopment of properties;
- inability to obtain or renew permits or approvals, and the continued effectiveness of permits already granted or approvals already obtained;
- increased construction costs for a project that exceeded our original estimates due to increases in materials, labor or other costs, which could make completion of the project less profitable because market rents may not increase sufficiently to compensate for the increased construction costs;
- supply chain issues and increased difficulty for workforce recruitment which may lead to construction delays and increased project development costs;
- costs and delays associated with compliance with legal and regulatory requirements;
- claims for construction defects after a property has been developed;
- poor performance or nonperformance by any of our joint venture partners or other third parties on whom we rely;
- health and safety incidents and site accidents;
- compliance with environmental laws and land use controls;
- easement restrictions which may impact our development costs and timing;
- compliance with building codes and other local regulations;
- delays and increased expenses as a result of legal challenges, whether brought by governmental authorities, our competitors, local residents or private parties;
- changes to tax rules, regulations and/or incentives; and
- the inability to secure tenants necessary to support commercial projects.

For example, we are and have been subject to various lawsuits challenging the development approvals we obtained for our 250 Water Street development project. Although, to date, the lawsuits have not, individually or in the aggregate, had a material adverse effect on our business, financial condition or results of operations, we cannot guarantee that the outcome of any pending or future litigation related to 250 Water Street, or any of our other development, redevelopment and construction activities, will not result in substantial costs or delays, divert our management's attention and resources or otherwise harm our business. For additional information, see Note 8 to the audited combined financial statements included elsewhere in this information statement.

In connection with any pursuit of development of the Fashion Show Mall Air Rights, we may encounter additional risks in addition to the foregoing risks. These additional risks may include, among others: the inability to reach agreement with our counterparty on the contractual terms of the proposed joint venture that would formalize the ownership structure of the air rights; unwillingness of the owner of the Fashion Show mall to comply with the terms of existing contractual agreements and/or cooperate with such development; the inability to develop such rights based upon then-existing conditions relating to the structure of the existing Fashion Show mall, rights or potential rights (whether known or unknown) of tenants or other parties in possession of any portion of the Fashion Show mall or otherwise, which may require negotiation and further costs; costs and delays associated with the required cooperation between the parties, which may contribute to potential development being considered economically infeasible; and costs and delays associated with, or the inability to successfully obtain, the legal subdivision of the development rights from the fee ownership interest in the real property.

If any of the aforementioned risks were to occur during the development, redevelopment or construction of our properties, including at 250 Water Street and in connection with our Fashion Show Mall Air Rights, it could have a substantial negative impact on the project's success and result in a material adverse effect on our financial condition or results of operations.

Our development projects may subject us to certain liabilities.

We may hire and supervise third-party contractors to provide construction, engineering and various other services for wholly-owned development projects or development projects undertaken by real estate ventures in which we hold an equity interest. Certain of these contracts are structured such that we are the principal rather than the agent. As a result, we may assume liabilities in the course of the project and be subjected to, or become liable for, claims for construction defects, negligent performance of work or other similar actions by third parties we have engaged.

Adverse outcomes of disputes or litigation could negatively impact our business, results of operations and financial condition, particularly if we have not limited the extent of the damages to which we may be liable, or if our liabilities exceed the amounts of the insurance that we carry. Moreover, our tenants may seek to hold us accountable for the actions of contractors because of our role even if we have technically disclaimed liability as a legal matter, in which case we may determine it necessary to participate in a financial settlement for purposes of preserving the tenant or customer relationship or to protect our corporate brand. Acting as a principal may also mean that we pay a contractor before we have been reimbursed by our tenants or have received the entire purchase price of a condominium unit from the purchaser. This exposes us to additional risks of collection in the event of a bankruptcy, insolvency or a default by a tenant, contractor or vendor. The reverse can occur as well, where a contractor we have paid files for bankruptcy protection or commits fraud with the funds before completing a project which we have funded in part or in full.

Government housing regulations may limit opportunities at 250 Water Street and any future communities in which we invest, and failure to comply with resident qualification requirements may result in financial penalties or loss of benefits.

Our 250 Water Street development site is approved for affordable housing and other benefits from governmental programs intended to provide housing to individuals with low or moderate incomes. These programs, which are typically administered by the United States Department of Housing and Urban Development ("HUD") or state housing finance agencies, typically provide mortgage insurance, favorable financing terms, tax credits or rental assistance payments to property owners. As a condition of the receipt of assistance under these programs, 250 Water Street and any future qualifying properties we may development must comply with various requirements, which typically limit rents to pre-approved amounts and impose restrictions on resident incomes. Failure to comply with these requirements and restrictions may result in financial penalties or loss of benefits. In addition, we will typically need to obtain the approval of HUD in order to acquire or dispose of a significant interest in or manage a HUD-assisted property. We may not always receive such approval.

Cybersecurity risks and incidents, such as a breach of the Company's privacy or information security systems, or those of our vendors or other third parties, could compromise our information and expose us to liability, which would cause our business and reputation to suffer.

In the ordinary course of our business, we collect and store sensitive data, including intellectual property, our proprietary business information and that of our tenants and business partners and personally identifiable information of our employees on our networks. The collection and use of personally identifiable information are governed by federal and state laws and regulations. Privacy and information security laws continue to evolve and may be inconsistent from one jurisdiction to another. Compliance with all such laws and regulations may increase our operating costs and adversely impact our ability to market our properties and services.

Additionally, we rely on our information technology systems to be able to monitor and control our operations, adjust to changing market conditions and implement strategic initiatives. We own and manage some of these systems but also rely on third parties for a range of products and services. Any disruptions in or the failure of our own systems, or those managed and operated by third parties, to operate as expected could adversely affect our

ability to access and use certain applications and could, depending on the nature and magnitude of the problem, adversely affect our operating results by limiting our ability to effectively monitor and control our operations, adjust to changing market conditions and implement strategic initiatives. The security measures that we and our vendors put in place cannot provide absolute security, and the information technology infrastructure we and our vendors use may be vulnerable to criminal cyber-attacks or data security incidents.

Any such incident could compromise our networks or our vendors' networks (or the networks or systems of third parties that facilitate our business activities or our vendors' business activities), and the information we or our vendors store could be accessed, misused, publicly disclosed, corrupted, lost or stolen, resulting in fraud, including wire fraud related to our assets, or other harm. Moreover, if a data security incident or breach affects our systems or our vendors' systems, whether through a breach of our systems or a breach of the systems of third parties, or results in the unauthorized release of personally identifiable information, our reputation and brand could be materially damaged and we may be exposed to a risk of loss or litigation and possible liability, including, without limitation, loss related to the fact that agreements with our vendors, or our vendors' financial condition, may not allow us to recover all costs related to a cyber-breach for which they alone are responsible or for which we are jointly responsible, which could result in a material adverse effect on our business, results of operations and financial condition.

Like many companies, we and our third party vendors have been impacted by security incidents in the past and will likely experience security incidents of varying degrees. While we do not believe these incidents have had a material impact to date, privacy and information security risks have generally increased in recent years because of the proliferation of new technologies, such as ransomware, and the increased sophistication and activities of perpetrators of cyber-attacks. Further, there has been a surge in widespread cyber-attacks during and since the COVID-19 pandemic, and the use of remote work environments and virtual platforms may increase our risk of cyber-attack or data security breaches. In light of the increased risks, we have dedicated substantial additional resources of expense, labor and time to strengthening the security of our computer systems. In the future, we may expend additional resources to continue to enhance our information security measures and/or to investigate and attempt to remediate any information security vulnerabilities. Despite these steps, there can be no assurance that our cybersecurity risk management program and processes, including our policies, controls and procedures, will be fully implemented, complied with or effective in protecting our systems and information, and that we will not suffer a significant data security incident in the future, that unauthorized parties will not gain access to sensitive data stored on our systems or that any such incident will be discovered in a timely manner. Any failure in or breach of our information security systems, those of third-party service providers or a breach of other third-party systems that ultimately impacts our operational or information security systems as a result of cyber-attacks or information security breaches could result in a wide range of potentially serious harm to our business and results of operations.

Additionally, cyber-attacks perpetrated against our tenants, including unauthorized access to customers' credit card data and other confidential information, could diminish consumer confidence and spending at our tenants, or negatively impact consumer perception of shopping at, dining at and otherwise utilizing our properties, all of which could materially and adversely affect our business, financial condition and results of operations.

Global economic and political instability and conflicts, such as the conflict between Russia and Ukraine or in the Middle East, could adversely affect our business, financial condition or results of operations.

Our business could be adversely affected by unstable economic and political conditions within the U.S. and foreign jurisdictions and geopolitical conflicts, such as the conflicts between Russia and Ukraine, and in the Middle East. While we do not have any customer or direct supplier relationships in these regions, the current military conflict, and related sanctions, as well as export controls or actions that may be initiated by nations (e.g., potential cyberattacks, disruption of energy flows, etc.) and other potential uncertainties could adversely affect our supply chain by causing shortages or increases in costs for materials necessary for construction and/or increases to the price of gasoline and other fuels. In addition, such events could cause higher interest rates, inflation or general economic uncertainty, which could negatively impact our business partners, employees or customers, or otherwise adversely impact our business.

Some of our directors and nominees are involved in other businesses including real estate activities and public and/or private investments and, therefore, may have competing or conflicting interests with us.

Certain of our directors and nominees have and may in the future have interests in other real estate business activities and may have control or influence over these activities or may serve as investment advisors to, or directors or officers of other businesses. These interests and activities, and any duties to third parties arising from such interests and activities, could divert the attention of such directors from our operations. Additionally, certain of our directors and nominees are engaged in investment and other activities in which they may learn of real estate and other related opportunities in their non-director capacities. Our Code of Business Conduct and Ethics expressly provides, as permitted by Section 122(17) of the Delaware General Corporation Law (the "DGCL"), that our non-employee directors are not obligated to limit their interests or activities in their non-director capacities or to notify us of any opportunities that may arise in connection therewith, even if the opportunities are complementary to, or in competition with, our businesses. Accordingly, we have no expectation that we will be able to learn of or participate in such opportunities. If any potential business opportunity is expressly presented to a director exclusively in his or her director capacity, the director will not be permitted to pursue the opportunity, directly or indirectly through a controlled affiliate in which the director has an ownership interest, without the approval of the independent members of our board of directors.

Pershing Square is our largest stockholder and may exert influence over us that may be adverse to our best interests and those of our other stockholders.

As of , 2024, Pershing Square is HHH's largest stockholder. Pershing Square beneficially owns approximately % of HHH's outstanding common stock as of , 2024, and is therefore expected to beneficially own approximately % of our outstanding common stock immediately following the separation and distribution. Accordingly, Pershing Square will have the ability to influence our policies and operations, including the appointment of management, future issuances of our common stock or other securities, the payment of dividends, if any, on our common stock, the incurrence or modification of debt by us, amendments to our Certificate of Incorporation and Bylaws (each as defined herein) and the entering into of extraordinary transactions, and its interests may not in all cases be aligned with other stockholders' interests.

Pershing Square's ownership percentage may increase as a result of the backstop agreement we are seriously discussing with them for the $175 million Rights Offering we expect to conduct following the distribution. Pursuant to the backstop agreement, if finalized, Pershing Square would be contractually obligated to exercise its pro rata subscription rights and to purchase any shares not purchased by other stockholders at the Rights Offering price of $25 per share, up to $175 million in the aggregate. If none of our other stockholders purchase shares in the Rights Offering, Pershing Square would be required to purchase shares of our common stock, and its ownership percentage would increase to %. If all of our other stockholders purchase the pro rata amounts they are entitled to in the Rights Offering, Pershing Square would not be required to purchase any shares of our common stock beyond its pro rata amount, and therefore its ownership percentage would remain at approximately %. If our other stockholders purchase, in the aggregate, fewer than shares of common stock in the Rights Offering, then Pershing Square would own over 50% of our common stock as a result of its backstop obligation.

If Pershing Square's ownership of our common stock increases to more than 50%, pursuant to its obligations under the potential backstop agreement or otherwise, we would be considered a "controlled company" under the corporate governance rules of the NYSE, which would allow us to opt out of certain NYSE corporate governance requirements, including the requirements that: (1) a majority of the board of directors consist of independent directors; (2) the compensation of our officers be determined or recommended to the board of directors by a majority of its independent directors or by a compensation committee that is composed entirely of independent directors; and (3) director nominees be selected or recommended by a majority of the independent directors or by a nominating committee composed solely of independent directors. In addition, Pershing Square would be able to control virtually all matters requiring stockholder approval, including the election of our directors.

Pursuant to the Investor Rights Agreement (as defined herein) that we expect to enter into with Pershing Square, following the completion of our spin-off from HHH, as long as Pershing Square owns at least 10% of the total outstanding shares of our common stock, Pershing Square will be entitled to nominate at least one director to our

board of directors and, if we increase the size of the board to larger than five directors, as many nominees as represent at least 20% of the total number of directors then on the board. These board nomination rights will also be contained in our Certificate of Incorporation. Additionally, we intend to grant a waiver of the applicability of the provisions of Section 203 of the DGCL to Pershing Square Capital Management, L.P., PS Management GP, LLC and William A. Ackman such that Pershing Square may increase its position in our common stock to up to % of the outstanding shares of common stock without being subject to Section 203's restrictions on business combinations. See "—Risks Related to Our Common Stock—Anti-takeover provisions in our Certificate of Incorporation, our Bylaws, Delaware law, the Investor Rights Agreement and certain other agreements may prevent or delay an acquisition of us, which could decrease the trading price of our common stock" and "Certain Relationships and Related Party Transactions—Agreements with Pershing Square—Investor Rights Agreement."

This concentration of ownership, and the potential for further concentration of ownership, of our outstanding common stock held by Pershing Square, as well as its rights under the Investor Rights Agreement and the Certificate of Incorporation, will potentially make some transactions more difficult or impossible without its support. The interests of Pershing Square, or any of its respective affiliates could conflict with or differ from the interests of our other stockholders. For example, the concentration of ownership held by Pershing Square could allow it to influence our policies and strategy and could delay, defer or prevent a change of control or impede a merger, takeover or other business combination that may otherwise be favorable to us and our other stockholders. Pershing Square or an affiliate thereof may also pursue acquisition opportunities that may be complementary to our business, and as a result, those acquisition opportunities may not be available to us. This control may also adversely affect the market price of our common stock.

Our business is subject to risks associated with our investments in real estate assets and with trends in the real estate industry.

Our economic performance and the value of our real estate assets are subject to the risk that our properties may not in the future generate revenues sufficient to meet our operating expenses or other obligations, which has been the case with our portfolio in recent years. A future deficiency of this nature would adversely impact our financial condition, results of operations, cash flows, the quoted trading price of our securities and our ability to satisfy our debt service obligations.

Because real estate is illiquid, we may not be able to sell properties when in our best interest.

Real estate investments generally cannot be sold quickly. The capitalization rates at which properties may be sold could be higher than historic rates, thereby reducing our potential proceeds from the sale. Consequently, we may not be able to alter our portfolio promptly in response to changes in economic or other conditions. All of these factors reduce our ability to respond to changes in the performance of our investments and could adversely affect our business, financial condition and results of operations.

The COVID-19 pandemic disrupted our business and a resurgence of the pandemic, or another pandemic, epidemic or health crisis, could have a material adverse effect on our business, financial performance and condition, operating results and cash flows.

Beginning in 2020, the COVID-19 pandemic disrupted our business, as well as the businesses of our tenants, and a resurgence of COVID-19, or any other future pandemic, epidemic or similar health crisis, could have a material adverse effect on our business, financial condition, results of operations, or cash flows.

The COVID-19 pandemic negatively impacted our business in 2020 across all of our operations. Landlord Operations were negatively impacted by delayed leasing of vacant space as well as rental abatements from existing tenants. Additionally, certain of our tenants were forced to permanently close. Our Sponsorship, Events, and Entertainment and Hospitality segments were significantly impacted by measures put in place by New York City that were intended to control the spread of disease, including mandated closures and restrictions upon opening, and the timing of the peak of the pandemic resulted in the full cancellation of our Summer Concert Series in 2020. Our sponsorship business was also negatively impacted by disruptions to our hospitality and events businesses, as sponsors were unable to fulfill their contractual obligations. As a result, many agreements were negotiated and extended during this time.

Our sports operations were also materially impacted by the COVID-19 pandemic and actions taken in response by governmental authorities and MLB. The success of our baseball operations relies heavily on ticket sales and attendance figures. Attendance further impacts our concession and merchandise revenue and indirectly influences the number of events hosted at the Las Vegas Ballpark, as well as sponsor growth and engagement. MLB first postponed and eventually cancelled the minor league baseball season as a result of the COVID-19 pandemic, and, as a result, our business operations related to the Aviators were suspended. Our related special events and sponsorships were also negatively impacted. Our sports operations continued to be impacted by government-mandated assembly restrictions during fiscal year 2021 and temporary declines in attendance related to COVID-19 during certain months of fiscal year 2022.

Our and our tenants' businesses have been, and could in the future be, materially and adversely affected by the risks, or the public perception of the risks, related to pandemics or other health emergencies, like the COVID-19 pandemic, and the government's reaction thereto, especially if there is a negative impact on customers' willingness or ability to frequent such businesses. Our business is also particularly sensitive to discretionary business and consumer spending. A pandemic such as COVID-19, or the fear of another pandemic or other public health emergency, has in the past, and could in the future, impede economic activity in impacted regions or globally over the long-term, leading to a decline in discretionary spending on entertainment and leisure activities, including declines in domestic and international tourism, which would result in long-term effects on our business. To the extent a pandemic, epidemic or other similar health crisis adversely affects our business and financial results, it may also have the effect of heightening many of the other risks described in this "Risks Factors" section.

Risks Related to Our Sports Assets

Our sports assets face intense and wide-ranging competition, which may have a material negative effect on our business and results of operations.

The success of a sports business, like baseball-related assets, is dependent upon the performance and/or popularity of its franchise. The Aviators compete, in varying respects and degrees, with other live sporting events, and with sporting events delivered over television networks, radio, the internet and online services, streaming devices and applications and other alternative sources. For example, the Aviators compete for attendance and advertising with a wide range of alternatives available in the Las Vegas metropolitan area. During some or all of the baseball season, the Aviators face competition, in varying respects and degrees, from professional football (including the NFL's Las Vegas Raiders), professional hockey (including the NHL's Las Vegas Golden Knights), professional soccer (including the USL's Las Vegas Lights), collegiate sporting events such as UNLV athletic teams and other NCAA competitions, women's professional basketball (including the WNBA Las Vegas Aces), other sporting events held in the Las Vegas metropolitan area, and other leisure-time activities and entertainment options in Las Vegas (including concerts, music festivals and other live performances).

As a result of the large number of options available, we face strong competition for the Las Vegas metropolitan area sports fan base. We must compete with these other sports teams and sporting events, in varying respects and degrees, including on the basis of the quality of the teams we field, its success in the leagues in which it competes, our ability to provide an entertaining environment at our games, prices we charge for tickets and the viewing availability of our team's games on multiple media alternatives. Given the nature of sports, there can be no assurance that we will be able to compete effectively, including with companies that may have greater resources than us, and as a consequence, our business and results of operations may be materially negatively affected.

Additionally, on November 16, 2023, the thirty owners of MLB teams unanimously voted to approve the move by the Athletics to Las Vegas in 2028. In April 2024, the Athletics announced that they had signed a lease to play the 2025 through 2027 seasons in Sacramento before their planned move to Las Vegas beginning in the 2028 season. There can be no assurance that the Athletics will move to Las Vegas at all or that we will achieve any potential benefits of such a move. A major league baseball team located in Las Vegas or Summerlin could also compete with the Aviators for their existing fans. As a result, the Athletics' move could even result in a material negative impact on the Aviators if this competition results in a decline in Aviators attendance.

The success of our business is dependent on our ability to attract attendance to the Aviators' home games. Our business also competes with other leisure-time activities and entertainment options in the Las Vegas metropolitan area, such as television, motion pictures, concerts, music festivals and other live performances, restaurants and nightlife venues, casinos, the internet, social media and social networking platforms and online and mobile services, including sites for online content distribution, video on demand and other alternative sources of entertainment.

Our business is substantially dependent on the continued popularity and/or competitive success of the Aviators, which cannot be assured.

Our financial results depend in part on the Aviators remaining popular with their fan base, and, in varying degrees, on the team achieving on-field success, which can generate fan enthusiasm that results in sustained ticket, premium seating, suite, sponsorship, food and beverage and merchandise sales during the season. In addition, success in the regular season may qualify the Aviators for participation in post-season playoffs, which provides us with additional revenue by increasing the number of games played by the Aviators and, more importantly, by generating increased excitement and interest in the Aviators, which can help drive a number of our revenue streams, including by improving attendance and sponsorships, in subsequent seasons. In addition, league, team and/or player actions or inactions, including protests, may impact the popularity of the Aviators or the league in which it plays. There can be no assurance that the Aviators will maintain continued popularity or compete in post-season play in the future.

Baseball decisions made by the parent club, especially those concerning player selection and salaries, may have a material negative effect on our business and results of operations.

Creating and maintaining the Aviators' popularity and/or on-field competitiveness is relevant to the success of our business. The Aviators are an affiliate of the Athletics and get their players designated to them by the Athletics (as the parent club) from among the various players under contract with the parent club. Accordingly, efforts to improve our revenues and earnings from operations from period-to-period may be secondary to actions that the parent club's management believes will generate long-term growth and asset value creation. The competitive position of the Aviators depends primarily on the Athletics' ability to obtain, develop and retain talented players, coaches and team executives, for whom it competes with other MLB team and over which the Aviators have no control. The Athletics' efforts in this regard may include, among other things, trading for highly compensated players, signing draft picks, free agents or current players to new contracts, engaging in salary arbitration or contract renegotiation with existing players, terminating and waiving players and replacing coaches and team executives, and any of these actions can impact the competitive strength of the Aviators. There can be no assurance that the Aviators (or their parent club) will be able to retain players upon expiration of their contracts or sign and develop talented players to replace those who are called up to the parent club, leave for other teams, retire or are injured, traded or released. Additionally, there can be no assurance that any actions taken by the Athletics will successfully generate and increase long-term growth and asset value creation for the Aviators.

The actions of MLB Professional Development Leagues ("MLB PDL") may have a material negative effect on our business and results of operations.

The governing body of minor league baseball, MLB Professional Development Leagues, has certain rights under certain circumstances to take actions that they deem to be in the best interests of the league, which may not necessarily be consistent with maximizing our results of operations. Decisions by MLB PDL could have a material negative effect on our business and results of operations. For example:

- The Aviators' affiliation with the Athletics is dependent on maintaining a license from MLB PDL. The current license with MLB PDL expires after the 2030 minor league baseball season, and there is no guarantee that MLB PDL will offer the Aviators an opportunity to renew that license.
- MLB PDL may assert control over certain matters, under certain circumstances, that may affect our revenues such as ticket tax, advertising inventory, and the licensing of (and royalty rates paid for) the rights to produce and sell merchandise bearing the logos and/or other intellectual property of the Aviators and the league.

- MLB PDL imposes certain rules that define, under certain circumstances, the territories in which the Aviators operate. MLB and MLB PDL have also asserted control over other important decisions, such as the length and format of, and the number of games in, the playing season, preseason and playoff schedules, admission of new members, franchise relocations, labor relations with the players associations, etc. Changes to these matters could have a material negative effect on our business and results of operations.

- MLB PDL imposes certain restrictions on the ability of owners to undertake certain types of transactions in respect of teams, including a change in ownership. In certain instances, these restrictions could impair our ability to proceed with a transaction that is in the best interest of the Company and its stockholders if we were unable to obtain any required league approvals in a timely manner or at all.

- MLB PDL has imposed a number of rules, regulations, guidelines, bulletins, directives, policies and agreements upon its teams. Changes to these provisions may apply to the Aviators and its personnel, and/or the Company as a whole, regardless of whether we agree or disagree with such changes, have voted against such changes or have challenged them through other means. It is possible that any such changes could materially negatively affect our business and results of operations to the extent they are ultimately determined to bind the Aviators. MLB PDL asserts significant authority to take certain actions under certain circumstances. Decisions by MLB PDL, including on the matters described above, may materially negatively affect our business and results of operations. MLB PDL's governing documents and our agreements with MLB PDL purport to limit the manner in which we may challenge decisions and actions.

Injuries to, and illness of, players on our sports team could hinder our success.

To the degree that our financial results are dependent on the Aviators' popularity and/or on-field success, the likelihood of achieving such popularity or competitive success may be substantially impacted by serious and/or untimely injuries to or illness of key players. Even if we take health and safety precautions and comply with government protocols, our players may nevertheless contract serious illness, such as COVID-19 and, as a result, the Aviators' ability to participate in games may be substantially impacted.

Financial Risks

We will be unable to develop, redevelop or expand our properties without sufficient capital or financing.

Our business objectives include potential development, redevelopment and expansion opportunities, including potential significant future development activity at our 250 Water Street property and in connection with the Fashion Show Mall Air Rights. We will not be able to pursue these initiatives if we cannot obtain sufficient capital or financing, which may include debt capital from lenders or the capital markets (which may be secured or unsecured), additional equity capital, cash from asset sales or government incentives, such as tax increment financing. We may be unable to obtain financing, or obtain financing on economically attractive terms, due to numerous factors, including our financial condition, results of operations or market volatility and uncertainty. Similarly, we may be unable to obtain mortgage lender and property partner approvals that may be required for any such development, redevelopment or expansion opportunity. We may abandon development, redevelopment or expansion activities already underway if we are unable to secure additional attractively priced capital to finance the completion of such activities. This may result in charge-offs of costs previously capitalized. In addition, if development, redevelopment, expansion or reinvestment projects are unsuccessful, our investments in such projects may not be recoverable, in full or in part, from future operations or sales resulting in impairment charges.

As of the date of this information statement, we expect to have outstanding indebtedness on the distribution date of approximately $, and in the future we may incur additional indebtedness. This indebtedness and changing interest rates could adversely affect our business, prospects, financial condition or results of operations and prevent us from fulfilling our financial obligations.

As of the date of this information statement, we expect to have outstanding indebtedness on the distribution date of approximately $. This indebtedness, and any future indebtedness could have the following consequences:

- limiting our ability to obtain additional financing to fund future working capital, capital expenditures, debt service requirements, execution of our business strategy or finance other general corporate requirements;
- requiring us to make non-strategic divestitures, particularly when the availability of financing in the capital markets is limited;
- requiring a substantial portion of our cash flow to be allocated to debt service payments instead of other business purposes, thereby reducing the amount of cash flow available for working capital, capital expenditures, acquisitions, dividends and other general corporate purposes;
- increasing our vulnerability to general adverse economic and industry conditions, including decreases in the market value of pledged assets as well as increases in interest rates, particularly with respect to any variable rate indebtedness;
- limiting our ability to capitalize on business opportunities, reinvest in and develop properties and to react to competitive pressures and adverse changes in government regulations;
- placing us at a disadvantage compared to other less leveraged competitors;
- limiting our ability, or increasing the costs, to refinance our indebtedness;
- restricting our ability to operate our business due to certain restrictions in the debt agreements; and
- resulting in an event of default if we fail to satisfy our obligations under our indebtedness, which default could result in all or part of our indebtedness becoming immediately due and payable and, in the case of any secured debt, could permit the lenders to foreclose on our assets securing such debt.

Our Existing 250 Water Street Term Loan bears, and the Refinanced 250 Water Street Term Loan that we expect to enter into prior to the distribution (each such term as defined herein) is expected to bear, interest at a variable rate. During periods of rising interest rates, such as have been experienced in the recent past, interest expense on our variable rate debt will increase unless we effectively hedge our interest rate exposure. Such increases could be significant, particularly if we incur substantially more variable rate debt, and could materially and adversely affect our financial condition, results of operations, cash flows and ability to service our debt, invest in our business or access additional capital. For additional information about our debt agreements, see "Description of Other Indebtedness."

The agreements governing our existing indebtedness contain restrictions that may limit our ability to operate our business.

Our Refinanced 250 Water Street Term Loan, our Las Vegas Ballpark Deed of Trust and our 250 Water Street TRS (each as defined herein) contain certain restrictions that may limit our ability to operate our business as well as representations and covenants customary for agreements of these types, including financial covenants related to maintenance of loan-to-value ratios with respect to the collateral. These agreements also contain customary events of default and termination events. These restrictions limit our ability, or the ability of certain of our subsidiaries, to, among other things:

- incur indebtedness or issue equity;
- create certain liens;

- pay dividends on, redeem or repurchase capital stock or make other restricted payments;
- make investments;
- consolidate, merge or transfer all, or substantially all, of our assets;
- sell-transfer, exchange, assign, pledge or otherwise dispose of equity;
- enter into or amend lease or other agreements or transactions without consent;
- enter into transactions with our affiliates; and
- create, organize or establish subsidiaries.

Additionally, our debt agreements also contain various restrictive covenants, including minimum net worth requirements, minimum liquidity requirements, maximum leverage ratios, limitations on our ability to form subsidiaries and limitations on our ability to amend our governing documents. The restrictions under the debt agreements could limit our ability to finance our future operations or capital needs, make acquisitions or pursue available business opportunities.

We may be required to take action to reduce our debt or act in a manner inconsistent with our business objectives and strategies to meet such ratios and satisfy such covenants. Events beyond our control, such as changes in economic and business conditions, may affect our ability to do so. We may not be able to meet the ratios or satisfy the covenants in our debt agreements, and we cannot provide any assurance that our lenders will waive any failure to do so. A breach of any of the covenants in, or our inability to maintain the required financial ratios under, our debt agreements would likely result in a default under such debt agreements, which may accelerate the principal and interest payments of the debt and, if such debt is secured, result in the foreclosure on certain of our assets that secure such debt. Any such defaults could materially impair our financial condition and liquidity. In addition, if the lenders under any of our debt agreements or other obligations accelerate the maturity of those obligations, we cannot assure that we will have sufficient assets to satisfy our obligations under such obligations.

We have entered into, and may in the future enter into, total return swaps that expose us to certain risks, including market risk, liquidity risk and other risks similar to those associated with the use of leverage.

Our 250 Water Street TRS is a total return swap. A total return swap is a contract in which one party agrees to make periodic payments to another party based on the change in the market value of the assets underlying the total return swap, which may include a specified security or loan, basket of securities or loans or securities or loan indices during the specified period, in return for periodic payments based on a fixed or variable interest rate. A total return swap is typically used to obtain exposure to a security, loan or market without owning or taking physical custody of such security or loan or investing directly in such market. A total return swap (including a total return swap such as the 250 Water Street TRS) may effectively add leverage to our portfolio because, in addition to our total net assets, we would be subject to investment exposure on the amount of securities or loans subject to the total return swap. A total return swap is also subject to the risk that a counterparty will default on its payment obligations thereunder or that we will not be able to meet our obligations to the counterparty. In addition, because a total return swap is a form of synthetic leverage, such arrangements are subject to risks similar to those associated with the use of leverage.

Inflation has adversely affected us and may continue to adversely affect us by increasing costs beyond what we can recover through price increases.

The U.S. economy has experienced an increase in inflation recently. Inflation can adversely affect us by increasing, among other things, the cost of land, and materials and labor, which we have experienced in fiscal year 2023 due to higher inflation rates. Although we believe that sources of supply for raw materials and components are generally adequate, it is difficult to predict what effects price increases may have in the future. In recent years we have been experiencing increases in the prices of labor and materials above the general inflation rate, especially in Manhattan with respect to labor costs. Our inability to offset increasing costs due to inflation through price increases to customers could have a material adverse effect on our results of operations, financial conditions and cash flows.

Some potential losses are not insured.

We carry comprehensive liability, fire, flood, earthquake, terrorism, cyber, extended coverage and rental loss insurance on all of our properties. We believe the policy specifications and insured limits of these policies are adequate and appropriate. There are some types of losses, including lease and other contract claims, which generally are not insured. If an uninsured loss or a loss in excess of insured limits occurs, we could lose all or a portion of the capital invested in a property, as well as the anticipated future revenue from the property. If this happens, we might remain obligated for any mortgage debt or other financial obligations related to the property.

We are subject to risks associated with hedging arrangements.

We may enter into interest rate swap agreements and other interest rate hedging contracts, including caps and cash settled forward starting swaps, to mitigate or reduce our exposure to interest rate volatility or to satisfy lender requirements. These agreements expose us to additional risks, including a risk that counterparties of these hedging and swap agreements will not perform. There also could be significant costs and cash requirements involved to fulfill our obligations under a hedging agreement. In addition, our hedging activities may not have the desired beneficial impact on interest rate exposure and have a negative impact on our business, financial condition and results of operations.

Regulatory, Legal and Environmental Risks

Development of properties entails a lengthy, uncertain and costly entitlement process.

Approval to develop real property sometimes requires political support and generally entails an extensive entitlement process involving multiple and overlapping regulatory jurisdictions and often requires discretionary action by local governments. Real estate projects must generally comply with local land development regulations, as well as any applicable state and federal regulations. We incur substantial costs to comply with legal and regulatory requirements. An increase in legal and regulatory requirements may cause us to incur substantial additional costs, or in some cases cause us to determine that the property is not feasible for development. In addition, our competitors and local residents may challenge our efforts to obtain entitlements and permits for the development of properties. The process to comply with these regulations is usually lengthy and costly, may not result in the approvals we seek and can be expected to materially affect our development activities. Our potential development at 250 Water Street received approvals to potentially develop 547,000 zoning square feet of market rate and affordable housing, office, retail and community-oriented gathering space; however, any actual development of this project will require, among other things, final resolution of any challenges to existing approvals and related ancillary approvals. Similarly, any future exercise our right to develop, together with an interest in and to 80% of, the air rights above the Fashion Show mall would require, among other things, numerous approvals, and would likely involve an extensive process with substantial costs, and no assurance can be given that we would be successful in obtaining the necessary approvals to develop such rights.

Government regulations and legal challenges may delay the start or completion of the development of our properties, increase our expenses or limit our building or other activities.

Various local, state and federal statutes, ordinances, rules and regulations concerning building, health and safety, site and building design, environment, zoning, sales and similar matters apply to and/or affect the real estate development industry. In addition, our ability to obtain or renew permits or approvals and the continued effectiveness of permits already granted or approvals already obtained depends on factors beyond our control, such as changes in federal, state and local policies, rules and regulations and their interpretations and application.

Municipalities may restrict or place moratoriums on the availability of utilities, such as water and sewer taps. If municipalities in which we operate take such actions, it could have an adverse effect on our business by causing delays, increasing our costs or limiting our ability to operate in those municipalities. These measures may reduce our ability to build and sell real estate development projects in the affected markets, including with respect to land we may already own, and create additional costs and administration requirements, which in turn may harm our future results of operations.

Governmental regulation affects numerous aspects of our business and industry, including construction, sales and lending activities and other dealings with consumers and tenants. Further, government agencies routinely initiate audits, reviews or investigations of our business practices to ensure compliance with applicable laws and regulations, which can cause us to incur costs or create other disruptions in our business that can be significant. Further, we may experience delays and increased expenses as a result of legal challenges to our proposed communities, whether brought by governmental authorities or private parties.

We may be subject to increased compliance costs to comply with new and contemplated government regulations relating to energy standards and climate change.

A variety of legislation is being enacted, or considered for enactment, at the federal, state and local levels relating to energy and climate change. This legislation relates to items such as carbon dioxide emissions control and building codes that impose energy efficiency standards. For example, New York City has adopted Local Law 97, which requires individual, or certain groups of, buildings over a certain size to meet new energy efficiency and greenhouse gas emissions limits as of 2024, with stricter limits coming into effect in 2030. New building code requirements that impose stricter energy efficiency standards could significantly increase our cost to construct buildings. Such environmental laws may affect, for example, how we manage storm water runoff, wastewater discharges and dust; how we develop or operate on properties on or affecting resources such as wetlands, endangered species, cultural resources, or areas subject to preservation laws; and how we address contamination. As climate change concerns continue to grow, legislation and regulations of this nature are expected to continue and to make compliance more costly. In addition, it is possible that some form of expanded energy efficiency legislation may be passed by the U.S. Congress or federal agencies and certain state legislatures, which may, despite being phased in over time, significantly increase our costs of building properties. We may be required to apply for additional approvals or modify our existing approvals because of changes in local circumstances or applicable law.

Energy-related initiatives affect a wide variety of companies throughout the U.S. and the world. Because our potential future development activities could be heavily dependent on significant amounts of raw materials, such as lumber, steel and concrete, energy-related initiatives could have an indirect adverse impact on our operations to the extent the manufacturers and suppliers of our materials are burdened with expensive cap and trade and similar energy-related taxes and regulations. Noncompliance with environmental laws could result in fines and penalties, obligations to remediate, permit revocations and other sanctions.

We may be subject to potential costs to comply with environmental laws.

Future development and redevelopment opportunities may require additional capital and other expenditures to comply with laws and regulations relating to the protection of the environment. Under various federal, state or local laws, ordinances and regulations, a current or previous owner or operator of real estate may be required to investigate and clean up hazardous or toxic substances released at a property and may be held liable to a governmental entity or to third parties for property damage or personal injuries and for investigation and clean-up costs incurred by the parties in connection with the contamination. These laws often impose liability without regard to whether the owner or operator knew of, or was responsible for, the release of the hazardous or toxic substances, or the legality of disposal or classification of the material at the time. The presence of contamination or the failure to remediate contamination may adversely affect the owner's ability to sell or lease real estate or to borrow using the real estate as collateral, and may expose us to tort or common law liability to neighbors, employees, site visitors, or others. It may also prevent new construction or changes in land use prior to remediation, such as sites in New York City that have been placed under an "E" designation. For instance, there is known contamination at the 250 Water Street site. In 2023, the State of New York Department of Environmental Conservation (the "DEC") issued a certificate of completion for the site, which provides certain liability protections relating to residual hazardous substances at the site. The site is subject to an environmental easement and a site management plan (the "SMP") prepared under the oversight of the DEC, which impose certain requirements and restrictions with respect to the property, including, among other things: a requirement that any disturbance of the subsurface be conducted in accordance with the SMP, a prohibition against use of groundwater without treatment, a requirement to conduct periodic groundwater monitoring and a requirement to evaluate the potential for vapor intrusion and implement mitigation measures. Noncompliance with these requirements could result in an obligation to conduct further remediation, revocation of the certificate of completion or revocation of tax credits received in connection with site

remediation. The 250 Water Street site is also subject to an "E" designation, which imposes certain requirements on development of the property, including, among other things, a requirement to have in place an approved Remedial Action Work Plan and a Construction Health and Safety Plan prior to issuance of a construction permit involving subsurface disturbance, a requirement to locate heating and hot water system stacks at least 335 feet above grade and a requirement to comply with noise attenuation standards. Other federal, state and local laws, ordinances and regulations require abatement or removal of asbestos-containing materials in the event of demolition or certain renovations or remodeling, the cost of which may be substantial for certain redevelopments, and also govern emissions of and exposure to asbestos fibers in the air. Federal and state laws also regulate the operation and removal of underground storage tanks. In connection with our ownership, operation and management of certain properties, we could be held liable for the costs of remedial action with respect to these regulated substances or tanks or related claims.

We cannot predict with any certainty the magnitude of any expenditures relating to the environmental compliance or the long-range effect, if any, on our operations. Compliance with such laws has not had a material adverse effect on our operating results or competitive position in the past but could have such an effect on our operating results and competitive position in the future.

Tax increases and changes in tax rules may adversely affect our financial results.

As a company conducting business with physical operations in the United States, we are exposed, both directly and indirectly, to the effects of changes in U.S., state and local tax rules. Taxes for financial reporting purposes and cash tax liabilities in the future may be adversely affected by changes in such tax rules. The taxing rules of the various jurisdictions in which we operate or do business often are complex and subject to varying interpretations. Tax authorities may challenge tax positions that we take or historically have taken and may assess taxes where we have not made tax filings or may audit the tax filings we have made and assess additional taxes. Some of these assessments may be substantial, and also may involve the imposition of penalties and interest.

In addition, governments could change their existing tax laws, impose new taxes on us or increase the rates at which we are taxed in the future. The payment of substantial additional taxes, penalties or interest resulting from tax assessments, or the imposition of any new taxes, could materially and adversely impact our results of operations and financial condition. For example, President Biden has previously proposed to increase the federal corporate income tax rate and if any such proposal were to be adopted, then the increase in the federal corporate income tax rate would adversely affect our results of operations in future periods.

Compliance with the Americans with Disabilities Act may be a significant cost for us.

The Americans with Disabilities Act of 1990, as amended (the "ADA"), requires that all public accommodations and commercial facilities, including office buildings, meet certain federal requirements related to access and use by disabled persons. Other federal, state and local laws may require modifications to or restrict further renovations of our properties with respect to such accesses. Noncompliance with the ADA or similar or related laws or regulations could result in the U.S. government imposing fines or private litigants being awarded damages against us. Such costs may adversely affect our business, financial condition and results of operations.

Risks Related to the Separation and Our Relationship with HHH

We have no history of operating as a separate, publicly traded company, and our historical and pro forma financial information is not necessarily representative of the results that we would have achieved as a separate, publicly traded company and may not be a reliable indicator of our future results.

The historical information about us in this information statement refers to our business as operated by and integrated with HHH. Our historical and pro forma financial information included in this information statement is derived from the consolidated financial statements and accounting records of HHH. Accordingly, the historical and pro forma financial information included in this information statement does not necessarily reflect the financial condition, results of operations or cash flows that we would have achieved as a separate, publicly traded company

during the periods presented or those that we will achieve in the future primarily as a result of the factors described below:

- prior to the separation, our business has been operated by HHH as part of its broader corporate organization, rather than as a separate, publicly traded company. HHH or one of its affiliates performed various corporate functions for us such as legal, treasury, accounting, internal audit, human resources and finance. Our historical and pro forma financial results reflect allocations of corporate expenses from HHH for such functions and are likely to be less than the expenses we would have incurred had we operated as a separate publicly traded company. Following the separation, our cost related to such functions previously performed by HHH may therefore increase;

- currently, our business is integrated with the other businesses of HHH. Historically, we have shared economies of scope and scale in costs, employees, vendor relationships and customer relationships. Although we will enter into transition agreements with HHH, these arrangements may not fully capture the benefits that we have enjoyed as a result of being integrated with HHH and may result in us paying higher charges than in the past for these services. This could have an adverse effect on our results of operations and financial condition following the completion of the separation;

- generally, our working capital requirements and capital for our general corporate purposes, including acquisitions and capital expenditures, have historically been satisfied as part of the corporate-wide cash management policies of HHH. Following the completion of the separation, we expect that from time to time we will seek to obtain financing from banks, through public offerings or private placements of debt or equity securities, strategic relationships or other arrangements; and

- after the completion of the separation, the cost of capital for our business may be higher than HHH's cost of capital prior to the separation.

Other significant changes may occur in our cost structure, management, financing and business operations as a result of operating as a company separate from HHH. See "Unaudited Pro Forma Combined Financial Statements," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our audited combined financial statements and notes thereto included elsewhere in this information statement.

As a separate, publicly traded company, we may not enjoy the same benefits that we did as a part of HHH.

There is a risk that, by separating from HHH, we may become more susceptible to market fluctuations and other adverse events than we would have been if we were still a part of the current HHH organizational structure. As part of HHH, we have been able to enjoy certain benefits from HHH's operating diversity, purchasing power and opportunities to pursue integrated strategies with HHH's other businesses. As a separate, publicly traded company, we will not have similar diversity or integration opportunities and may not have similar purchasing power or access to capital markets.

The unaudited pro forma combined financial statements included in this information statement are presented for informational purposes only and may not be an indication of our future financial condition or results of operations.

The unaudited pro forma combined financial statements included in this information statement are presented for informational purposes only and are not necessarily indicative of what our actual financial condition or results of operations would have been had the separation been completed on the date indicated. The assumptions used in preparing the pro forma financial information may not prove to be accurate and other factors may affect our financial condition or results of operations. Accordingly, our financial condition and results of operations in the future may not be evident from or consistent with such pro forma financial information.

Future sales of our common stock, or the perception that such sales may occur, could depress our common stock price.

Upon completion of the distribution, except as otherwise described herein, all of our common stock that is being distributed hereby will be freely tradable without restriction, other than those held by our affiliates. In connection with the distribution, we intend to file a registration statement on Form S-8 registering under the Securities Act of 1933, as amended (the "Securities Act"), our common stock reserved for issuance under our equity incentive plan or plans. If equity securities granted under such an equity incentive plan or plans are sold or it is perceived that they will be sold in the public market, the trading price of our common stock could decline substantially. Actual or potential sales of our common stock made pursuant to registration rights could similarly cause the trading price of our common stock to drop significantly. Any of the foregoing also could impede our ability to raise future capital.

Immediately following the separation and distribution, Pershing Square is expected to own approximately % of our outstanding common stock based on its ownership of HHH as of , 2024. Pursuant to the Investor Rights Agreement, we will agree that upon Pershing Square's request we will use our commercially reasonable efforts to effect a registration under applicable federal and state securities laws for shares of our common stock held by Pershing Square. Following the completion of the anticipated Rights Offering, the shares covered by registration rights will represent, at most, % of our outstanding common stock, assuming no stockholder other than Pershing Square purchases shares of our common stock in the Rights Offering. Registration of any of these outstanding shares of common stock would result in such shares becoming freely tradable without the need for compliance with Rule 144 under the Securities Act. Any disposition by Pershing Square, or any of our substantial stockholders, of our common stock in the public market, or the perception that such dispositions could occur, could adversely affect prevailing market prices of our common stock.

In addition, our Certificate of Incorporation will provide that we may issue up to shares of common stock and shares of preferred stock, $0.01 par value per share. Future issuances of shares of our common stock or securities convertible or exchangeable into common stock may dilute the ownership interest of our common stockholders. Because our decision to issue additional equity or convertible or exchangeable securities in any future offering will depend on market conditions and other factors beyond our control, we cannot predict or estimate the amount, timing or nature of our future issuances. In addition, we are not required to offer any such securities to existing stockholders on a preemptive basis. Therefore, it may not be possible for existing stockholders to participate in such future issuances, which may dilute the existing stockholders' interests in us.

We expect to conduct a $175 million Rights Offering of equity to our stockholders following the distribution which may also have a dilutive effect on the market price of our common stock.

Our suppliers or other companies with whom we conduct business may conclude that our financial stability as a separate, publicly traded company is insufficient to satisfy their requirements for doing or continuing to do business with them.

Some of our suppliers or other companies with whom we conduct business may conclude that our financial stability as a separate, publicly traded company is insufficient to satisfy their requirements for doing or continuing to do business with them, or may require us to provide additional credit support, such as letters of credit or other financial guarantees. Any failure of parties to be satisfied with our financial stability could have a material adverse effect on our business, financial condition, results of operations and cash flows.

Potential indemnification obligations to HHH pursuant to the Separation Agreement could materially and adversely affect our business, financial condition, results of operations and cash flows.

The Separation Agreement, among other things, provides for indemnification obligations (for uncapped amounts) designed to make us financially responsible for all liabilities that HHH may incur relating to our business activities (as currently and historically conducted), whether incurred prior to or after the separation. If we are required to indemnify HHH under the circumstances set forth in the Separation Agreement, we may be subject to substantial liabilities. See "Business—Legal Proceedings" and "Certain Relationships and Related Party Transactions—Agreements with HHH—Separation Agreement."

In connection with our separation from HHH, HHH will indemnify us for certain liabilities. However, there can be no assurance that such indemnity will be sufficient to insure us against the full amount of such liabilities, or that HHH's ability to satisfy its indemnification obligations will not be impaired in the future.

Pursuant to the Separation Agreement and certain other agreements with HHH, HHH will agree to indemnify us for certain liabilities as discussed further in "Certain Relationships and Related Party Transactions." However, third parties could also seek to hold us responsible for any of the liabilities that HHH has agreed to retain, and there can be no assurance that the indemnity from HHH will be sufficient to protect us against the full amount of such liabilities, or that HHH will be able to fully satisfy its indemnification obligations. In addition, HHH's insurance will not necessarily be available to us for liabilities associated with occurrences of indemnified liabilities prior to the separation, and in any event HHH's insurers may deny coverage to us for liabilities associated with certain occurrences of indemnified liabilities prior to the separation. Moreover, even if we ultimately succeed in recovering from HHH or such insurance providers any amounts for which we are held liable, we may be temporarily required to bear these losses. Each of these risks could negatively affect our business, financial condition, results of operations and cash flows.

After the distribution, certain of our executive officers and directors may have actual or potential conflicts of interest because of their equity interests in HHH.

Following the separation, our board of directors is expected to consist of a majority of directors who are independent, and our expected executive officers who are currently employees of HHH will cease to be employees of HHH. However, because of their former positions with HHH, certain of our executive officers and directors may own, or have options to acquire, equity interests in HHH. Continuing ownership of common stock of HHH and equity awards could create, or appear to create, potential conflicts of interest if we and HHH face decisions that could have implications for both HHH and us after the separation. For example, potential conflicts of interest could arise in connection with the resolution of any dispute between us and HHH regarding the terms of the agreements governing the separation and distribution and our relationship with HHH following the separation and distribution. Potential conflicts of interest may also arise out of any commercial arrangements that we or HHH may enter into in the future.

HHH may compete with us.

HHH will not be restricted from competing with us. If HHH in the future decides to engage in the type of business we conduct, it may have a competitive advantage over us, which may cause our business, financial condition and results of operations to be materially adversely affected.

We may not achieve some or all of the expected benefits of the separation, and the separation may adversely affect our business.

We may not be able to achieve the full strategic and financial benefits expected to result from the separation, or such benefits may be delayed or not occur at all, for a variety of reasons, including, among others:

- as part of HHH, we have been able to enjoy certain benefits from HHH's operating diversity, purchasing power and opportunities to pursue integrated strategies with HHH's other businesses. As a separate, publicly traded company, we will not have similar diversity or integration opportunities and may not have similar purchasing power or access to capital markets. We may also incur costs for certain functions previously performed by HHH, such as accounting, tax, legal, human resources and other general administrative functions that are higher than the amounts reflected in our historical financial statements, which could impact our cash flows profitability;
- the actions required to separate our and HHH's respective businesses could disrupt our and HHH's operations, and the separation will require significant amounts of management's time and effort, which may divert management's attention from operating and growing our business;
- certain costs and liabilities that were less significant to HHH prior to the separation will be more significant for us and HHH as separate companies after the separation;

- following the separation, our business will be less diversified than HHH's businesses prior to the separation;
- we (and prior to the separation, HHH) will incur costs in connection with our transition to being a separate, publicly traded company that may include accounting, tax, legal and other professional services costs, recruiting and relocation costs associated with hiring or reassigning our personnel and costs to separate information systems; and
- following the separation, we may be more susceptible to market fluctuations and other adverse events than if we were still a part of HHH.

If we fail to achieve some or all of the benefits expected to result from the separation, or if such benefits are delayed, our business, operating results and financial condition could be adversely affected.

We may have received better terms from unaffiliated third parties than the terms we will receive in our agreements with HHH.

The agreements we will enter into with HHH in connection with the separation, including the Separation Agreement, transition services agreement, employee matters agreement, tax matters agreement and other commercial agreements, were prepared in the context of our separation from HHH while we were still a wholly-owned subsidiary of HHH. Accordingly, during the period in which the terms of those agreements were prepared, we did not have a separate or independent board of directors or a management team that was separate from or independent of HHH. As a result, the terms of those agreements may not reflect terms that would have resulted from arm's-length negotiations between unaffiliated third parties. Arm's-length negotiations between HHH and an unaffiliated third party in another form of transaction, such as a buyer in a sale of a business transaction, may have resulted in more favorable terms to the unaffiliated third party. See "Certain Relationships and Related Party Transactions."

We or HHH may fail to perform under various agreements that will be executed as part of the separation or we may fail to have necessary systems and services in place when certain of the agreements expire.

The Separation Agreement and other agreements to be entered into in connection with the separation will determine the allocation of assets and liabilities between the companies following the separation and will include any necessary indemnifications related to liabilities and obligations. The transition services agreement will provide for the performance of certain services by HHH for the benefit of Seaport Entertainment for a period of time after the separation. We will rely on HHH after the separation to satisfy its performance obligations under these agreements. If HHH is unable to satisfy its obligations under these agreements, including its indemnification obligations, we could incur operational difficulties or losses. If we do not have in place our own systems and services, or if we do not have agreements with other providers of these services once certain transaction agreements expire, we may not be able to operate our business effectively. We are in the process of creating our own, or engaging third parties to provide, systems and services to replace many of the systems and services that HHH currently provides to us. However, we may not be successful in implementing these systems and services or in transitioning data from HHH's systems to us.

In addition, we expect this process to be complex, time-consuming and costly. We are also establishing or expanding our own tax, internal audit, investor relations, corporate governance and public company compliance and other corporate functions. We expect to incur one-time costs to replicate, or outsource from other providers, these corporate functions to replace the corporate services that HHH historically provided us prior to the separation. Any failure or significant downtime in our own financial, administrative or other support systems or in the HHH financial, administrative or other support systems during the transitional period during which HHH provides us with support could negatively impact our results of operations or prevent us from paying our suppliers and employees, executing business combinations and foreign currency transactions or performing administrative or other services on a timely basis, which could negatively affect our results of operations.

In particular, our day-to-day business operations rely on information technology systems. A significant portion of the communications among our personnel, customers and suppliers take place on information technology

platforms. We expect the transfer of information technology systems from HHH to us to be complex, time consuming and costly. There is also a risk of data loss in the process of transferring information technology. As a result of our reliance on information technology systems, the cost of such information technology integration and transfer and any such loss of key data could have an adverse effect on our business, financial condition and results of operations.

Following the distribution, we will be dependent on HHH to provide us with certain transition services, which may be insufficient to meet our needs, and we may have difficulty finding replacement services or be required to pay increased costs to replace these services after our transition services agreement with HHH expires.

Historically, HHH has provided, and until our separation from HHH, HHH will continue to provide significant corporate and shared services related to corporate functions such as property management, executive oversight, treasury, accounting, finance, internal audit, legal, information technology, human resources, communications, facilities and risk management. Following our separation from HHH, we expect HHH to continue to provide some of these services on a transitional basis for a fee. While these services are being provided to us by HHH, we will be dependent on HHH for services that are critical to our operation as a separate, publicly traded company, and our operational flexibility to modify or implement changes with respect to such services and the amounts we pay for them will be limited. After the expiration of the transition services agreement, we may not be able to replace these services or enter into appropriate third-party agreements on terms and conditions, including cost and quality of service, comparable to those that we will receive from HHH under the transition services agreement. Although we intend to replace portions of the services currently provided by HHH following the separation, we may encounter difficulties replacing certain services or be unable to negotiate pricing or other terms as favorable as those we currently have in effect.

If the distribution fails to qualify as a distribution under Section 355 of the Code, HHH stockholders could incur significant adverse tax consequences, and we could be required to indemnify HHH for certain tax consequences that could be material pursuant to indemnification obligations under the tax matters agreement.

The distribution is conditioned upon, among other things, HHH's receipt of an opinion of Latham & Watkins LLP, tax counsel to HHH, regarding the qualification of the distribution as a distribution under Section 355 of the Code, although HHH may waive this condition in its sole discretion. There is no administrative or judicial authority that directly addresses facts that are substantially similar to those of the distribution, and the opinion of tax counsel is therefore not free from doubt. Moreover, the opinion of tax counsel will be based on, among other things, certain factual assumptions, representations and undertakings from HHH and us, including those regarding the past and future conduct of the companies' respective businesses and other matters. If any of these factual assumptions, representations, or undertakings is incorrect or not satisfied, including as a possible result of us being forced to change our business model and dispose of assets in the event that our anticipated Rights Offering does not close or results in less proceeds than expected, HHH may not be able to rely on the opinion, and HHH and its stockholders could incur significant adverse U.S. federal income tax consequences. In addition, the opinion of tax counsel will not be binding on the U.S. Internal Revenue Service (the "IRS") or the courts, and, notwithstanding the opinion of tax counsel, the IRS could determine that the distribution does not so qualify or that the distribution should be taxable for other reasons, including as a result of a significant change in stock or asset ownership after the distribution.

If the distribution is ultimately determined not to qualify as a distribution under Section 355 of the Code, the distribution could be treated as a taxable disposition of common shares of Seaport Entertainment by HHH and as a taxable distribution to HHH stockholders for U.S. federal income tax purposes. In such case, HHH stockholders that are subject to U.S. federal income tax could incur significant adverse U.S. federal income tax consequences. For a more detailed discussion, see the section entitled "Material U.S. Federal Income Tax Consequences of the Distribution to U.S. Holders."

Under the tax matters agreement that we will enter into with HHH, we will generally be required to indemnify HHH against taxes incurred by HHH that arise as a result of certain acts or omissions by us, inaccuracies, misrepresentations or misstatements relating to us or events involving our stock or assets that prevent the distribution from qualifying as a distribution under Section 355 of the Code, except that we will generally not bear

any such taxes resulting from corporate-level taxable gain to HHH under Section 355(e) of the Code. If we are required to pay any liabilities under the circumstances set forth in the tax matters agreement, the amounts may be significant. For a more detailed discussion, see "Certain Relationships and Related Party Transactions—Agreements with HHH—Tax Matters Agreement."

Even if the distribution qualifies as a distribution under Section 355 of the Code, certain non-U.S. HHH stockholders could incur significant adverse tax consequences.

Even if the distribution qualifies as a distribution under Section 355 of the Code, unless Seaport Entertainment is a U.S. real property holding corporation (a "USRPHC") for U.S. federal income tax purposes, certain non-U.S. HHH stockholders who have actually or constructively owned more than 5% of the HHH common stock at any point in the five years preceding the distribution could be treated as having made a taxable exchange of a portion of their shares of HHH common stock for shares of Seaport Entertainment common stock as a result of the distribution. The determination of whether Seaport Entertainment is a USRPHC depends on the fair market value of its U.S. real property interests relative to the fair market value of its non-U.S. real property interests and other business assets. Based on our analysis of the value and composition of the assets of Seaport Entertainment, we believe and intend to take the position that Seaport Entertainment is a USRPHC for U.S. federal income tax purposes. Nevertheless, because the determination of whether Seaport Entertainment is a USRPHC depends on the fair market value of its assets, there can be no assurance that Seaport Entertainment is a USRPHC. Non-U.S. stockholders are urged to consult their tax advisors regarding the tax consequences of the distribution.

We might not be able to engage in certain transactions following the distribution.

Under the tax matters agreement that we will enter into with HHH, we will be required to comply with the representations and undertakings made to legal counsel in connection with the tax opinion HHH expects to receive regarding the intended tax treatment of the distribution and certain related transactions. The tax matters agreement will also restrict our ability to take or fail to take any action if such action or failure to act could adversely affect the intended tax treatment, except that we will generally not be prohibited from entering into equity transactions that result in corporate-level taxable gain to HHH under Section 355(e) of the Code. In particular, except in specific circumstances, in the two years following the distribution, we will be restricted from, among other things, (i) ceasing to actively conduct certain elements of our business, and (ii) selling, transferring or otherwise disposing of, 30% or more of the gross assets of certain of our businesses. These restrictions may limit for a period of time our ability to pursue certain transactions that we may believe to be in the best interests of our shareholders or that might increase the value of our business. For more information, see the section entitled "Certain Relationships and Related Person Transactions—Agreements with HHH—Tax Matters Agreement."

Risks Related to Our Common Stock

We cannot be certain that an active trading market for our common stock will develop or be sustained after the separation, and following the separation, the price of our common stock may fluctuate significantly.

Prior to the completion of the distribution, there has been no public market for our common stock. We cannot guarantee that an active trading market will develop or be sustained for our common stock after the distribution. If an active trading market does not develop, you may have difficulty selling your Company common stock at an attractive price, or at all. In addition, we cannot predict the prices at which our common stock may trade after the distribution.

The market price of our common stock may fluctuate significantly due to a number of factors, some of which may be beyond our control and/or unrelated to our operating performance, including:

- our quarterly or annual earnings, or those of other companies in our industry;
- the failure of securities analysts to cover our common stock after the separation;
- actual or anticipated fluctuations in our operating results;
- changes in earnings estimated by securities analysts or our ability to meet those estimates;

- the operating and stock price performance of other comparable companies;
- publication of research reports about our industry;
- announcements by us or our competitors of significant contracts, acquisitions, dispositions, strategic partnerships, joint ventures or capital commitments;
- changes to the regulatory and legal environment in which we operate;
- changes in interest or inflation rates;
- overall market fluctuations and domestic and worldwide economic conditions; and
- other factors described in these "Risk Factors" and elsewhere in this information statement.

In the past few years, stock markets have experienced extreme price and volume fluctuations. In the past, following periods of volatility in the overall market and the market price of a company's securities, securities class action litigation has often been instituted against these companies. Such litigation, if instituted against us, could result in substantial costs and a diversion of our management's attention and resources.

We are an emerging growth company and the information we provide shareholders may be different from information provided by other public companies.

We are an "emerging growth company" as defined in the Jumpstart Our Business Startups Act of 2012. We will continue to be an emerging growth company until the earliest to occur of the following:

- the last day of the fiscal year in which our total annual gross revenues first meet or exceed $1.235 billion (as adjusted for inflation);
- the date on which we have, during the prior three-year period, issued more than $1.0 billion in non-convertible debt;
- the last day of the fiscal year in which we (i) have an aggregate worldwide market value of common stock held by non-affiliates of $700 million or more (measured at the end of each fiscal year) as of the last business day of our most recently completed second fiscal quarter and (ii) have been a reporting company under the Exchange Act for at least one year (and filed at least one annual report under the Exchange Act); or
- the last day of the fiscal year following the fifth anniversary of the date of our separation from HHH.

For as long as we remain an emerging growth company, we may take advantage of certain exemptions from various reporting requirements that are applicable to other public companies that are not emerging growth companies, including, but not limited to:

- not being required to comply with the auditor attestation requirements of the assessment of our internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act;
- exemption from new or revised financial accounting standards applicable to public companies until such standards are also applicable to private companies;
- reduced disclosure obligations regarding executive compensation in our periodic reports, proxy statements and registration statements; and
- exemptions from the requirement of holding a non-binding advisory vote on executive compensation and shareholder approval on golden parachute compensation not previously approved.

We may choose to take advantage of some or all of these reduced burdens. For example, we have taken advantage of the reduced disclosure obligations regarding executive compensation in this information statement. For

as long as we take advantage of the reduced reporting obligations, the information we provide shareholders may be different from information provided by other public companies. In addition, it is possible that some investors will find our common stock less attractive as a result of these elections, which may result in a less active trading market for our common stock and higher volatility in our stock price.

In addition, we have elected to not take advantage of the extended transition period that allows an emerging growth company to delay the adoption of certain accounting standards until those standards would otherwise apply to private companies, which means that the financial statements included in this information statement, as well as financial statements we file in the future, will be subject to all new or revised accounting standards generally applicable to public companies. Our election not to take advantage of the extended transition period is irrevocable.

If we are unable to implement and maintain effective internal control over financial reporting in the future, investors may lose confidence in the accuracy and completeness of our financial reports and the market price of our common stock may be negatively affected.

As a public company, we will be required to maintain internal controls over financial reporting and to report any material weaknesses in such internal controls. In addition, beginning with our second annual report on Form 10-K, we expect we will be required to furnish annual management assessments of the effectiveness of our internal control over financial reporting. However, while we remain an emerging growth company, we will not be required to include a report by our independent registered public accounting firm addressing these assessments pursuant to Section 404 of the Sarbanes-Oxley Act. These reporting and other obligations may place significant demands on management, and administrative and operational resources, including accounting systems and resources.

The process of designing, implementing and testing the internal control over financial reporting required to comply with this obligation is time consuming, costly and complicated. If we identify material weaknesses in our internal control over financial reporting, if we are unable to comply with the applicable requirements of Section 404 of the Sarbanes-Oxley Act in a timely manner or to assert that our internal control over financial reporting is effective, or, when applicable, if our independent registered public accounting firm is unable to express an opinion as to the effectiveness of our internal control over financial reporting, investors may lose confidence in the accuracy and completeness of our financial reports and the market price of our common stock could be negatively affected, and we could become subject to investigations by the stock exchange on which our securities are then listed, the SEC, or other regulatory authorities, which could require additional financial and management resources.

We do not expect to pay any dividends for the foreseeable future.

You should not rely on our common stock to provide dividend income. We do not anticipate that we will pay any dividends to holders of our common stock in the foreseeable future. Instead, we plan to retain any earnings to maintain and expand our existing operations. In addition, any future credit facility or debt securities may contain terms prohibiting or limiting the amount of dividends that may be declared or paid on our common stock.

Your percentage ownership in us may be diluted in the future.

In the future, your percentage ownership in us may be diluted because of equity issuances for acquisitions, capital market transactions or otherwise, including equity awards that we will be granting to our directors, officers and employees. In addition, following the distribution, our employees will have rights to purchase or receive our common stock as a result of the conversion of their HHH stock options or other equity interests into our stock options and other equity interests. The conversion of these HHH awards into our awards is described in further detail in the section entitled "Certain Relationships and Related Party Transactions—Agreements with HHH—Employee Matters Agreement." As of the date of this information statement, the exact number of our common stock that will be subject to the converted equity awards is not determinable, and, therefore, it is not possible to determine the extent to which your percentage ownership in us could be diluted as a result of the conversion. It is anticipated that our Compensation Committee will grant additional equity awards to our employees and directors after the distribution, from time to time, under our employee benefits plans. These additional awards will have a dilutive effect on our earnings per share of common stock, which could adversely affect the market price of our common stock.

In addition, our amended and restated articles of incorporation will authorize us to issue, without the approval of our stockholders, one or more classes or series of preferred shares having such designation, powers, preferences and relative, participating, optional and other special rights, including preferences over our common stock respecting dividends and distributions, as the Board generally may determine. The terms of one or more classes or series of preferred shares could dilute the voting power or reduce the value of our common stock. For example, we could grant the holders of preferred shares the right to elect some number of our directors in all events or on the happening of specified events or the right to veto specified transactions. Similarly, the repurchase or redemption rights or liquidation preferences that we could assign to holders of preferred shares could affect the residual value of the common stock. Please refer to the section entitled "Description of Capital Stock."

We expect to conduct a $175 million Rights Offering of equity to our stockholders following the distribution which may also have a dilutive effect on the market price of our common stock.

Anti-takeover provisions in our Certificate of Incorporation, our Bylaws, Delaware law, the Investor Rights Agreement and certain other agreements may prevent or delay an acquisition of us, which could decrease the trading price of our common stock.

Our Certificate of Incorporation, our Bylaws, the Investor Rights Agreement and Delaware law, among other things, contain or will contain provisions that could have the effect of rendering more difficult, delaying or preventing an acquisition deemed undesirable by our board of directors. See "Description of Capital Stock." For example, following the distribution, our Certificate of Incorporation and Bylaws will contain the following limitations:

- the inability of our stockholders to act by written consent;
- restrictions on the ability of stockholders to call a special meeting without 15% or more of the voting power of the issued and outstanding shares entitled to vote generally in the election of our directors;
- rules regarding stockholder approvals and director nominations;
- the right of our board of directors to issue preferred stock without stockholder approval;
- a requirement that, to the fullest extent permitted by law, certain proceedings against or involving us or our directors or officers be brought exclusively in the Court of Chancery in the State of Delaware;
- that certain provisions may be amended only by the affirmative vote of at least 66 2/3% of the shares of common stock entitled to vote generally in the election of directors; and
- the limitations described in "—MLB rules require that any person or group seeking to acquire a controlling interest in us or the Aviators must receive the prior approval of MLB. Such limitations and approval requirements may restrict any change of control or business combination opportunities in which our stockholders might receive a premium for shares of our common stock."

We also expect to enter into the Investor Rights Agreement with Pershing Square, pursuant to which Pershing Square will be entitled to designate at least one individual as a nominee for election to our board of directors as long as it owns at least 10% of the total outstanding shares of our common stock. If we increase the size of the board to larger than five directors, the Investor Rights Agreement will entitle Pershing Square to nominate individuals representing at least 20% of the total number of our directors, which could allow Pershing Square to exercise additional influence over certain of our corporate and governance matters. The board designation and related rights will also be contained in our Certificate of Incorporation. See "Certain Relationships and Related Party Transactions—Agreements with Pershing Square—Investor Rights Agreement."

In addition, we are a Delaware corporation, and Section 203 of the DGCL applies to us. In general, Section 203 prevents an interested stockholder from engaging in certain business combinations with us for three years following the date that person becomes an interested stockholder subject to certain exceptions. The statute generally defines an interested stockholder as any person that is the owner of 15% or more of the outstanding voting stock or is our

affiliate or associate and was the owner of 15% or more of outstanding voting stock at any time within the three-year period immediately before the date of determination.

We intend to grant a waiver of the applicability of the provisions of Section 203 of the DGCL to Pershing Square Capital Management, L.P., PS Management GP, LLC and William A. Ackman, such that Pershing Square may increase its position in our common stock up to % of the outstanding shares of common stock without being subject to Section 203's restrictions on business combinations. As such, Pershing Square, through its ability to accumulate more common stock than would otherwise be permitted under Section 203, would have the ability to become a large holder group that would be able to affect matters requiring approval by Company stockholders, including the election of directors and approval of mergers or other business combination transactions. The Company's Corporate Governance Guidelines reflect that it will grant to any stockholder a waiver of the applicability of Section 203 of the DGCL to the acquisition of up to % of the Company's outstanding voting stock upon the request of such stockholder, subject to the Board's fiduciary duties and applicable law.

These anti-takeover provisions could make it more difficult for a third party to acquire us, even if the third-party's offer may be considered beneficial by many of our stockholders. As a result, our stockholders may be limited in their ability to obtain a premium for their shares. These provisions could limit the price that investors might be willing to pay in the future for shares of our common stock. There also may be dilution of our common stock from the exercise of any future outstanding warrants, which may materially adversely affect the market price and negatively impact a holder's investment.

MLB rules require that any person or group seeking to acquire a controlling interest in us or the Aviators must receive the prior approval of MLB. Such limitations and approval requirements may restrict any change of control or business combination opportunities in which our stockholders might receive a premium for shares of our common stock.

To comply with the policies of MLB, our Certificate of Incorporation will provide that, as long as we have an ownership interest in the professional baseball club currently known as the Aviators, and subject to certain exceptions, no person may acquire shares of our common stock if, after such acquisition, that person would (i) own at least 50% of the outstanding shares of our common stock or at least 50% of the total voting power of our then-outstanding securities entitled to vote generally in the election of directors or (ii) have the ability to appoint at least a majority of the members of our board, unless, in each case, such person is approved by MLB or qualifies as an exempt person (which includes Pershing Square or any person approved by MLB as the "control person" of the Aviators). In the event that a person attempts to acquire shares of our common stock in violation of these restrictions, the applicable excess shares would automatically be transferred to a trust and held for the benefit of the excess share transferor, and such excess shares may be sold for cash, on the open market, in privately negotiated transactions or otherwise. No assurance can be given that the trust will be able to sell the shares at a price that is equal to or greater than the price paid by the person who attempted to acquire the shares. In addition, such person's right to receive the net proceeds of the sale, as well as any dividends or other distributions to which such person would otherwise be entitled, will be subject to their compliance with the applicable mechanics included in the Certificate of Incorporation. See "Description of Capital Stock—Anti-Takeover Effects of Various Provisions of Delaware Law, our Certificate of Incorporation and Bylaws and the Investor Rights Agreement—Restrictions on Ownership; Transfer of Excess Shares to a Trust."

In addition to the influence Pershing Square could exercise in respect of its voting power (see "—Pershing Square is our largest stockholder and may exert influence over us that may be adverse to our best interests and those of our other stockholders"), the share ownership limitations and required MLB approvals could have an anti-takeover effect, potentially discouraging third parties from making proposals for certain acquisitions of our common stock or a change of control transaction. In addition, if MLB does not provide approval of a specific transaction, these provisions could prevent a transaction in which holders of our common stock might receive a premium for their shares over the then-prevailing market price or which our board of directors or stockholders might believe to be otherwise in the best interest of us and our stockholders.

General Risks

Loss of key personnel could adversely affect our business and operations.

We depend on the efforts of key executive personnel. The loss of the services of any key executive personnel could adversely affect our business and operations. While we believe we have proper succession planning and are confident we could attract and train new personnel if necessary, this could impose additional costs and hinder our business strategy.

Actual or threatened terrorist activity and other acts of violence or civil unrest, or the perception of a heightened threat of such risks, could adversely affect our financial condition and results of operations.

Future actual or threatened terrorist attacks or other acts of violence or civil unrest in the areas in which we conduct our business, or the perception of a heightened threat of such risks, may result in reduced economic activity, which could harm the demand for goods and services offered by tenants, revenue from our properties and the success of our entertainment offerings. Such a resulting decrease in consumer demand could also make it difficult to renew or re-lease properties at lease rates equal to or above historical rates. Terrorist activities or other acts of violence or civil unrest, or the perception of a heightened threat of such risks, also could directly affect the value of our properties and events—particularly because they are open to the public. Any such incidents could cause material physical or reputational damage to our properties and business or destruction or loss, and the availability of insurance for such incidents, or of insurance generally, might be lower or cost more, which could increase our operating expenses and adversely affect our financial condition and results of operations. To the extent that our tenants are affected by real or perceived physical safety concerns stemming from such incidents, their businesses similarly could be adversely affected, including their ability to continue to meet their obligations under their existing leases. Such incidents, or the fear of such incidents, could decrease consumer demand for our assets and offerings, decrease or delay the occupancy of new or redeveloped properties and limit our access to capital or increase our cost of capital.

Weakness or instability in the general economy, our markets or our results of operations could result in future asset impairments, which would increase our reported loss or reduce our reported earnings and net worth.

Economic conditions remain fragile in some markets and the possibility remains that the domestic or global economies, or certain industry sectors that are key to our revenue, may deteriorate. If certain aspects of our operations are adversely affected by challenging economic and financial conditions, we may be required to record future impairments, which would negatively impact our results of operations.

We are, and may in the future be, subject to legal proceedings or investigations, the resolution of which could negatively affect our business, financial condition or results of operations.

Our business exposes us to significant potential risk from lawsuits, investigations and other legal proceedings. We are, and may in the future be, subject to a variety of proceedings, including, among others, litigation regarding our properties and offerings and ordinary course employment litigation. For example, we are and have been subject to various lawsuits challenging the development approvals we obtained for our 250 Water Street development project. Although, to date, the lawsuits have not, individually or in the aggregate, had a material adverse effect on our business, financial condition or results of operations, we cannot guarantee that the outcome of any pending or future litigation related to 250 Water Street, or the outcome of any other litigation, will not result in substantial costs or delays, divert our management's attention and resources or otherwise harm our business. For additional information, see Note 8 to the audited combined financial statements included elsewhere in this information statement.

In litigation, plaintiffs may seek various remedies, including declaratory or injunctive relief; compensatory or punitive damages; restitution, disgorgement, civil penalties, abatement, attorneys' fees, costs or other relief. Settlement demands may seek significant monetary and other remedies, or otherwise be on terms that we do not consider reasonable under the circumstances. In some instances, even if we have complied with applicable laws, regulations and terms of contracts, an adverse judgment or outcome may occur based on other applicable laws or principles of common law, including negligence and strict liability, and result in significant liability and reputational

damage for us. We may also be subject to claims in addition to those described above by similar groups of plaintiffs in the future relating to our current or former properties or activities. In addition, awards against and settlements by our competitors or publicity associated with our current litigation could incentivize parties to bring additional claims against us.

Any claim brought against us, regardless of its merits, could be costly to defend and could result in an increase of our insurance premiums and exhaust our available insurance coverage. The financial impact of litigation is difficult to assess or quantify. Some claims brought against us might not be covered by our insurance policies or might exhaust our available insurance coverage for such occurrences. To the extent our insurance coverage is inadequate and we are not successful in identifying or purchasing additional coverage for such claims, we would have to pay the amount of any settlement or judgment that is in excess of policy limits. Claims against us that result in entry of a judgment or that we settle that are not covered or not sufficiently covered by insurance policies could have a material adverse impact on our business, financial condition and results of operations.

CAUTIONARY STATEMENT CONCERNING FORWARD-LOOKING INFORMATION

Certain statements contained in this information statement, including, without limitation, those related to our future operations constitute "forward-looking statements" within the meaning of Section 27A of the Securities Act, and Section 21E of the Exchange Act. All statements other than statements of historical fact included in this information statement are forward-looking statements and may include words such as "anticipate," "believe," "estimate," "expect," "forecast," "intend," "likely," "may," "plan," "project," "realize," "should," "transform," "would" and other statements of similar expression.

These forward-looking statements involve known and unknown risks, uncertainties, and other important factors that could cause our actual results, performance or achievements, or industry results, to differ materially from any predictions of future results, performance or achievements that we express or imply in this information statement.

Forward-looking statements include statements related to:

- forecasts of our future economic performance;
- our separation from HHH and our ability to operate as a stand-alone public company;
- our ability to achieve the intended benefits from our separation from HHH;
- our anticipated Rights Offering;
- expected capital required for our operations and development opportunities for our properties;
- impact of technology on our operations and business;
- expected performance of our business;
- expected commencement and completion for property developments;
- estimates of our future liquidity, development opportunities, development spending and management plans; and
- descriptions of assumptions underlying or relating to any of the foregoing.

Some of the risks, uncertainties and other important factors that may affect future results or cause actual results to differ materially from those expressed or implied by forward-looking statements include:

- risks related to our separation from, and relationship with, HHH;
- macroeconomic conditions, such as volatility in the capital markets, inflation, rising interest rates and a prolonged recession or downturn in the national economy;
- changes in discretionary consumer spending patterns or consumer tastes or preferences;
- risks associated with our investments in real estate assets and trends in the real estate industry;
- our ability to obtain operating and development capital on favorable terms, or at all, including our ability to obtain or refinance debt capital;
- the availability of debt and equity capital;
- our ability to renew our leases or re-lease available space;
- our ability to compete effectively;
- our ability to successfully identify, acquire, develop and manage properties on terms that are favorable to us;

- the impact of uncertainty around, and disruptions to, our supply chain, including labor shortages and shipping delays;
- risks related to the concentration of our properties in Manhattan and the Las Vegas area, including fluctuations in the regional and local economies and local real estate conditions;
- extreme weather conditions or climate change, including natural disasters, that may cause property damage or interrupt business;
- the impact of water and electricity shortages on our business;
- the contamination of our properties by hazardous or toxic substances;
- catastrophic events or geopolitical conditions, such as the COVID-19 pandemic and other public health crises, that may disrupt our business;
- actual or threatened terrorist activity and other acts of violence, or the perception of a heightened threat of such events;
- losses that are not insured or that exceed the applicable insurance limits;
- risks related to disruption or failure of information technology networks and related systems—both ours and those operated and managed by third parties—including data breaches and other cybersecurity attacks;
- our ability to attract and retain key personnel;
- our inability to control certain of our properties due to the joint ownership of such property and our inability to successfully attract desirable strategic partners, including joint venture partners;
- the significant influence Pershing Square will have over us following our spin-off from HHH, including pursuant to its rights under the Investor Rights Agreement and our Certificate of Incorporation; and
- other risks and uncertainties described herein.

Although we presently believe that the plans, expectations and anticipated results expressed in or suggested by the forward-looking statements contained in this information statement are reasonable, all forward-looking statements are inherently subjective, uncertain and subject to change, as they involve substantial risks and uncertainties, including those beyond our control. New factors emerge from time to time, and it is not possible for us to predict the nature, or assess the potential impact, of each new factor on our business. Given these uncertainties, we caution you not to place undue reliance on these forward-looking statements. We undertake no obligation to update or revise any of our forward-looking statements for events or circumstances that arise after the statement is made, except as otherwise may be required by law.

DIVIDEND POLICY

We do not expect to pay any cash dividends on our common stock in the foreseeable future. All decisions regarding the payment of dividends will be made by our board of directors from time to time in accordance with applicable law.

CAPITALIZATION

The following table sets forth our cash and equivalents, restricted cash and capitalization as of March 31, 2024 on a pro forma basis to give effect to our anticipated post-separation capital structure after giving effect to the distribution and the Rights Offering we expect to conduct and the related potential backstop commitment, as discussed further below and in "Summary Historical and Pro Forma Combined Financial Data."

The information below is not necessarily indicative of what our cash and equivalents, restricted cash, and capitalization would have been had the separation been completed as of . In addition, it is not indicative of our future cash and equivalents, restricted cash and capitalization. This table should be read in conjunction with the sections entitled "Unaudited Pro Forma Combined Financial Statements" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our combined financial statements and notes thereto included elsewhere in this information statement.

	As of March 31, 2024	
	Historical	Pro Forma
	(Unaudited)	(Unaudited)
Cash and cash equivalents	$ 1,955	$ 200,232
Restricted cash	42,175	42,175
Debt:		
Mortgages payable, net	$ 155,822	$ 102,225
Total debt	155,822	102,225
Equity:		
Common Stock	—	126
Additional paid-in capital	—	625,807
Net parent investment	389,132	—
Accumulated other comprehensive income	—	—
Noncontrolling interests	—	10,000
Total equity	389,132	635,933
Total capitalization	**$ 544,954**	**$ 738,158**

UNAUDITED PRO FORMA COMBINED FINANCIAL STATEMENTS

The following unaudited pro forma combined financial statements consist of an unaudited pro forma combined balance sheet as of March 31, 2024 and unaudited pro forma combined statements of operations for the three months ended March 31, 2024 and the fiscal year ended December 31, 2023.

The unaudited pro forma combined financial statements were derived from the historical combined financial statements included elsewhere in this information statement. The pro forma adjustments give effect to the transactions described below. The unaudited pro forma combined balance sheet gives effect to the transactions described below as if they had occurred on March 31, 2024, our latest balance sheet date. The unaudited pro forma combined statements of operations for the three months ended March 31, 2024 and the fiscal year ended December 31, 2023 give effect to the transactions described below as if they had occurred on January 1, 2023, the first day of fiscal 2023.

The following unaudited pro forma combined financial statements of the Company give effect to the separation and related adjustments in accordance with Article 11 of Regulation S-X using the assumptions set forth in the notes to the unaudited pro forma financial statements.

The unaudited pro forma combined financial statements include certain transaction accounting adjustments that are necessary to present fairly our unaudited pro forma combined balance sheet and unaudited pro forma combined statements of operations as of and for the periods indicated. The pro forma adjustments are based on assumptions that management believes are reasonable given the information currently available.

The unaudited pro forma combined financial statements give effect to the following transaction accounting adjustments:

- the distribution of 100% of our issued and outstanding common stock by HHH to its stockholders;
- the effect of our anticipated post-separation capital structure, which includes the contribution of $23.4 million of cash to the Company from HHH pursuant to the Separation Agreement and the proceeds from the $175 million Rights Offering we expect to conduct and the related backstop commitment and the issuance of approximately 7,000,000 shares of Company common stock in such Rights Offering, as described in this information statement;
- the impact of the tax matters agreement and the employee matters agreement between the Company and HHH and the provisions contained therein; and
- the impact of the anticipated refinancing of the mortgage payable on 250 Water Street.

In connection with the separation and distribution, the Company will enter into transition services agreements whereby HHH will continue to provide certain services to the Company, including construction and development, information technology, treasury and human resources services for up to 12 months. These services will be consistent with services provided to the Company by HHH prior to the separation and distribution, and the charges to the Company will be at the cost incurred by HHH in providing the services.

The historical combined financial statements include amounts in relation to historical services provided by HHH to the Company. No adjustment is reflected in the unaudited pro forma combined financial statements in relation to services that may be provided under the transition services agreement, as such amounts are not expected to be materially different from the costs recognized in the historical combined financial statements.

The unaudited pro forma combined financial statements have been presented for informational purposes only. The unaudited pro forma information is not necessarily indicative of our results of operations or financial condition had the separation and the related transactions been completed on the dates assumed and should not be relied upon as a representation of our future performance or financial position as a separate public company. The historical combined financial statements have been derived from HHH's historical accounting records and include allocations of certain general and administrative expenses from HHH's corporate office. The allocations have been determined based on assumptions that management believes are reasonable; however, the amounts are not necessarily

representative of the amounts that would have been reflected in the financial statements had the Company been an entity that operated independently of HHH during the periods or at the dates presented. Transaction accounting adjustments have been reflected in the unaudited pro forma combined financial statements. Autonomous entity adjustments have been considered, but have not been reflected herein because they are either not applicable or not material to the unaudited pro forma combined financial statements.

The unaudited pro forma combined financial statements should be read in conjunction with the combined financial statements and related notes thereto contained elsewhere in this information statement, as well as the sections entitled "Capitalization" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" included elsewhere in this information statement.

UNAUDITED PRO FORMA COMBINED BALANCE SHEET

AS OF MARCH 31, 2024

(in thousands, except per share data)	Historical	Transaction Accounting Adjustments	Notes	Pro forma
Assets				
Buildings and equipment	$ 533,836	$ —		$ 533,836
Accumulated depreciation	(207,832)	—		(207,832)
Land	9,497	—		9,497
Developments	99,092	—		99,092
Net investment in real estate	**434,593**	**—**		**434,593**
Investments in unconsolidated ventures	41,879	—		41,879
Cash and cash equivalents	1,955	23,400	(a)	200,232
		175,000	(i)	
		(123)	(h)	
Restricted cash	42,175	—		42,175
Accounts receivable, net	11,282	—		11,282
Deferred expenses, net	4,225	—		4,225
Operating lease right-of-use assets, net	40,272	—		40,272
Other assets, net	38,348	(3,073)	(j)	35,275
Total assets	**$ 614,729**	**$ 195,204**		**$ 809,933**
Liabilities and Stockholders' Equity				
Mortgages payable, net	155,822	(53,597)	(j)	102,225
Operating lease obligations	48,015	—		48,015
Deferred tax liabilities, net	—	—		—
Accounts payable and other liabilities	21,760	2,000	(c)	23,760
Total liabilities	**$ 225,597**	**$ (51,597)**		**$ 174,000**
Net parent investment	389,132	(389,132)	(e)	—
Stockholders' Equity:				
Common stock	—	126	(i)	126
Additional paid-in capital	—	625,807	(e)	625,807
Retained earnings	—	—		—
Total stockholders' equity	**$ 389,132**	**$ 236,801**		**$ 625,933**
Noncontrolling interests	—	10,000	(b)	10,000
Total equity	**$ 389,132**	**$ 246,801**		**$ 635,933**
Total liabilities and equity	**$ 614,729**	**$ 195,204**		**$ 809,933**

See the accompanying notes to the unaudited pro forma combined financial statements.

UNAUDITED PRO FORMA COMBINED STATEMENT OF OPERATIONS

FOR THE THREE MONTHS ENDED MARCH 31, 2024

(in thousands, except per share data)	Historical	Transaction Accounting Adjustments	Notes	Pro forma
Sponsorships, events, and entertainment revenue	$ 4,180	$ —		$ 4,180
Hospitality revenue	4,004	—		4,004
Rental revenue	6,447	—		6,447
Other revenue	23	—		23
Total revenues	**14,654**	**—**		**14,654**
Sponsorships, events, and entertainment costs	4,861	—		4,861
Hospitality costs	5,568	—		5,568
Operating costs	9,904	—		9,904
Provision for doubtful accounts	953	—		953
General and administrative	16,554			16,554
Depreciation and amortization	8,074	—		8,074
Total expenses	**45,914**			**45,914**
Other income , net	8	—		8
Total other	**8**	**—**		**8**
Operating loss	**(31,252)**			**(31,252)**
Interest expense, net	(2,546)	937	(j)	(1,609)
Equity in (losses) from unconsolidated ventures	(10,280)	—		(10,280)
Guarantee fee expense	—	(307)	(j)	(307)
Loss before income taxes	**(44,078)**	**630**		**(43,448)**
Income tax (benefit) expense	—	—	(d)	
Net loss	**$ (44,078)**	**$ 630**		**$ (43,448)**
Net (income) loss attributable to noncontrolling interest	—	—	(b)	
Net loss available to common stockholders	**$ (44,078)**	**$ 630**		**$ (43,448)**
Net loss per Share, Basic and Diluted:				
Basic			(f)	$ (3.45)
Diluted			(f)	$ (3.45)
Weighted Average Shares Outstanding				
Basic			(f)	12,583
Diluted			(f)	12,583

See the accompanying notes to the unaudited pro forma combined financial statements.

UNAUDITED PRO FORMA COMBINED STATEMENT OF OPERATIONS

FOR THE YEAR ENDED DECEMBER 31, 2023

(in thousands, except per share data)	Historical	Transaction Accounting Adjustments	Notes	Pro forma
Sponsorships, events, and entertainment revenue	$ 60,623	$ —		$ 60,623
Hospitality revenue	32,951	—		32,951
Rental revenue	22,096	—		22,096
Other revenue	8	—		8
Total revenues	**115,678**	**—**		**115,678**
Sponsorships, events, and entertainment costs	47,466	—		47,466
Hospitality costs	31,432	—		31,432
Operating costs	41,219	—		41,219
Provision for doubtful accounts	459	—		459
General and administrative	30,536	2,000	(c)	51,137
		18,601	(g)	
Depreciation and amortization	48,432	—		48,432
Other	81	—		81
Total expenses	**199,625**	**20,601**		**220,226**
Provision for impairment	(672,492)	—		(672,492)
Other income , net	33	—		33
Total other	**(672,459)**	**—**		**(672,459)**
Operating loss	**(756,406)**	**(20,601)**		**(777,007)**
Interest expense, net	(3,166)	635	(j)	(2,654)
		(123)	(h)	
Equity in (losses) from unconsolidated ventures	(80,633)	—		(80,633)
Guarantee fee expense	—	(1,226)	(j)	(1,226)
Loss on extinguishment of debt	(47)	(191)	(j)	(238)
Loss before income taxes	**(840,252)**	**(21,506)**		**(861,758)**
Income tax (benefit) expense	(2,187)	—	(d)	(2,187)
Net loss	**$ (838,065)**	**$ (21,506)**		**$ (859,571)**
Net (income) loss attributable to noncontrolling interest	—	—	(b)	—
Net loss available to common stockholders	**$ (838,065)**	**$ (21,506)**		**$ (859,571)**
Net loss per Share, Basic and Diluted:				
Basic			(f)	$ (68.31)
Diluted			(f)	$ (68.31)
Weighted Average Shares Outstanding				
Basic			(f)	12,583
Diluted			(f)	12,583

See the accompanying notes to the unaudited pro forma combined financial statements.

NOTES TO UNAUDITED PRO FORMA COMBINED FINANCIAL STATEMENTS

For further information regarding the historical combined financial statements, please refer to the historical combined financial statements included in this information statement. The unaudited pro forma combined balance sheet as of March 31, 2024 and the unaudited pro forma combined statements of operations for the three months ended March 31, 2024 and the fiscal year ended December 31, 2023 include adjustments related to the following:

Transaction Accounting Adjustments:

(a) Reflects the contribution of approximately $23.4 million of cash by HHH to the Company prior to the separation and distribution pursuant to the terms of the Separation Agreement.

(b) Reflects the issuance of preferred shares by a subsidiary of the Company, which is presented as noncontrolling interest in the unaudited pro forma combined balance sheet. Net income (loss) attributable to noncontrolling interest of $ million and $ million is presented in the unaudited pro forma combined statements of operations for the three months ended March 31, 2024, and the year ended December 31, 2023, respectively, reflecting the profit-sharing provisions of the preferred shares.

(c) Reflects $2.0 million of current accrued liabilities for retention bonuses related to the separation and distribution estimated to be payable by the Company after the distribution. The income statement impact has been reflected in general and administrative expense ("G&A") in the unaudited pro forma combined statement of operations for the year ended December 31, 2023. These costs are not expected to recur after the distribution.

(d) Reflects the tax effects of the transaction accounting adjustments at the applicable statutory income tax rates and related adjustments to the valuation allowance for deferred tax assets that are not more-likely-than-not to be realized. Since the adjustments are expected to be incurred in the U.S. with operations in New York and Nevada, the statutory tax rate applied is approximately 30.04% percent. The difference between the (benefit) provision at the statutory rate and the income tax provision is related to the valuation allowance. The effective tax rate of the Company could be different (either higher or lower) depending on activities subsequent to the distribution.

(e) Represents the reclassification of HHH's net investment in the Company, including other pro forma adjustments, into common stock, par value $0.01, and additional paid in capital to reflect the number of shares of the Company's common stock expected to be outstanding at the distribution date based upon a distribution ratio of one share of the Company's common stock for every nine shares of HHH common stock.

The adjustments to additional paid in capital is summarized below:

Adjustments	Note	($ in thousands)
Cash contributed to the Company prior to separation and distribution	(a)	$ 23,400
Preferred share issuance by a subsidiary of the Company	(b)	(10,000)
Retention bonus	(c)	(2,000)
Net parent investment	(e)	389,132
Common stock distributed	(e)	(56)
Transaction costs	(g)	(18,601)
Transaction costs paid by HHH	(g)	18,601
Net cash payments on HHH revolving loan facility	(h)	(123)
Proceeds from the Rights Offering	(i)	174,930
Refinanced debt	(j)	50,524
Total adjustment		**$ 625,807**

(f) The total weighted-average number of shares of our common stock used to compute basic net loss per share for the three months ended March 31, 2024 and the year ended December 31, 2023 is 12,582,637, which includes (i) 5,582,637 shares based on 50,243,739 HHH shares outstanding assuming a distribution ratio of one share of the Company's common stock for every nine shares of HHH common stock; and (ii) 7,000,000 shares associated with the Rights Offering which assumes an equity raise of $175 million and a $25 price per share, the proceeds of which are reflected in the pro forma financial information.

For the three months ended March 31, 2024 and the year ended December 31, 2023, the weighted average number of shares used to compute diluted net loss per share is based on the weighted average number of basic shares of our common stock since the historical combined financial statements reflect a net loss for the three months ended March 31, 2024 and the year ended December 31, 2023. The actual future impact of potential dilution from stock-based awards granted to our employees under HHH equity plans will depend on various factors, including employees who may change employment from one company to another.

(g) All transaction costs incurred during the three months ended March 31, 2024 and the year ended December 31, 2023 related to the separation and distribution are included in our historical combined financial statements. The pro forma adjustments for the year ended December 31, 2023 include estimates for additional charges we expect to incur between March 31, 2024 and the distribution date of $18.6 million, which is recorded in general and administrative expense, related to estimated business separation. A corresponding adjustment was recorded to additional paid-in capital for this amount as all transaction costs prior to the separation and distribution will be paid by HHH. Actual amounts may differ from these estimates. These costs are not expected to recur beyond 12 months after the distribution.

(h) Reflects the pro forma adjustment for the revolving loan facility provided by HHH to the Company at the distribution date that will be repaid to HHH upon completion of the Rights Offering mentioned below. The aggregate availability of the revolving loan facility is $5 million with an initial term of 12 months, including a 6 month extension available at the discretion of HHH. However, the Company is required to repay any amounts drawn on the facility upon either the receipt of proceeds from the Rights Offering or the receipt of proceeds from a sale of the Company's assets. The revolving loan facility will bear interest at a rate of 10 percent per annum. The pro forma income statement for the year ended December 31, 2023 reflects increased interest expense of $0.1 million based on the assumption that the Company will draw $5.0 million on the facility as of the distribution date, which will be repaid in full upon completion of the Rights Offering by the backstop expiration date. As described in this information statement, the Company may conduct the Rights Offering beginning 31 days after the distribution date and the backstop commitment, if finalized, would expire 90 days after the distribution date. Therefore, these costs are not expected to recur beyond 12 months after the distribution. The pro forma balance sheet reflects the net cash costs associated with interest payments on the revolving debt facility.

(i) Reflects the proceeds from the sale of the Company's common shares for $175.0 million in the Rights Offering and/or backstop commitment described in this information statement, net of $ anticipated fees and expenses. The Company accounts for specific incremental costs directly attributable to the Rights Offering, to the extent such costs are incurred and paid by the Company, by offsetting it against the gross proceeds of the Rights Offering and recognizing those costs directly in the equity issued.

(j) Reflects the pro forma adjustment to refinance the existing mortgage payable related to 250 Water Street, including the repayment of existing mortgage payable with carrying value of $113.2 million (including principal outstanding of $115.0 million, net of deferred financing costs of $1.8 million) and the incurrence of $61.3 million in new mortgage payable and deferred financing costs of $1.7 million. The $53.6 million adjustment represents the $53.7 million difference between the $115.0 million historical and $61.3 million new mortgage payable, and the $0.1 million decrease between the historical and new deferred financing costs. Under the terms of the new mortgage payable, the Company will be obligated to pay an annual guaranty fee equal to 2% of the $61.3 million refinanced debt balance to its related party TWL-Bridgeland Holding Company, LLC amounting to $0.3 million for the three months ended March 31, 2024 and $1.2 million for the year ended December 31, 2023, and will require 17.5% of refinanced debt balance as cash collateral in the escrow account as a deposit. The net difference between the existing mortgage payable and

the new mortgage payable is contemplated to be paid by HHH and has been reflected through additional paid-in capital.

Based on the terms set forth within “Description of Certain Indebtedness”, the assumed interest rate is based on an average Secured Overnight Financing Rate (“SOFR”) rate plus a margin of 4.5%. The refinancing of debt resulted in a net decrease in interest expense, net in the amount of $0.9 million for the three months ended March 31, 2024 and $0.6 million for the year ended December 31, 2023. For the three months ended March 31, 2024, the adjustment to interest expense, net reflects an elimination of $2.0 million of historical interest expense which is offset by $1.1 million of interest expense (net of capitalized interest) on the new mortgage. For the year ended December 31, 2023, the adjustment reflects the elimination of $1.0 million of historical interest expense which is offset by $0.4 million of interest expense (net of capitalized interest) on the new mortgage. The $0.2 million adjustment to loss on extinguishment of debt for the year ended December 31, 2023 reflects the write-off of historical unamortized debt fees. A 1/8 percent change to the annual interest rate would represent an immaterial change to interest expense for the three months ended March 31, 2024 and the year ended December 31, 2023 as the majority of interest expense in those periods are capitalized on a pro forma basis.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Unless the context otherwise requires, references in this Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") to "Seaport Entertainment," the "Company," "we," "us," or "our" shall mean the assets and operating activities of Howard Hughes Holdings Inc. ("HHH") that will be contributed to Seaport Entertainment Group Inc. in connection with our separation from HHH, described below. Seaport Entertainment Group Inc., which was established on January 24, 2024, has engaged in no business activities to date and has no assets or liabilities of any kind, other than those incident to its formation. The following discussion should be read as a supplement to and should be read in conjunction with our Combined Financial Statements for the years ended December 31, 2023, 2022, and 2021 ("Combined Financial Statements") and Unaudited Condensed Combined Financial Statements for the three months ended March 31, 2024, and March 31, 2023 ("Unaudited Condensed Combined Financial Statements") and the related notes which are included elsewhere in this information statement as well as the information presented under "Summary Historical and Unaudited Pro Forma Combined Financial Data" and "Unaudited Pro Forma Combined Financial Statements." This discussion contains forward-looking statements that involve risks, uncertainties, assumptions, and other factors, including those described in the section entitled "Risk Factors" and elsewhere in this information statement. Actual results could differ materially from those discussed in or implied by forward-looking statements as a result of these factors. You are cautioned not to place undue reliance on this information which speaks only as of the date of this information statement. We are not obligated to update this information, whether as a result of new information, future events or otherwise, except as may be required by law.

All references to numbered Notes are specific to Notes to our Combined Financial Statements and our Unaudited Condensed Combined Financial Statements included in this information statement and which descriptions are incorporated into the applicable response by reference. Capitalized terms used, but not defined, in this MD&A have the same meanings as in such Notes.

Overview

General Overview

The Company was formed to own, operate, and develop a unique collection of assets positioned at the intersection of entertainment and real estate. Our existing portfolio encompasses a wide range of leisure and recreational activities, including live concerts, fine dining, professional sports, and high-end and experiential retail. We primarily analyze our portfolio of assets through the lens of our three operating segments: (1) Landlord Operations, (2) Hospitality, and (3) Sponsorships, Events, and Entertainment, and are focused on realizing value for shareholders primarily through dedicated management of existing assets, expansion of partnerships, strategic acquisitions, and completion of development and redevelopment projects.

Landlord Operations. Landlord Operations represents our ownership interests in and operation of physical real estate assets located in the Seaport, a historic neighborhood in Lower Manhattan on the banks of the East River and within walking distance of the Brooklyn Bridge. Landlord Operations assets include:

- Pier 17, a mixed-use building containing restaurants, entertainment, office space, and the Rooftop at Pier 17, an outdoor concert venue;
- the Tin Building, a mixed-use building containing a culinary destination featuring a variety of experiences including restaurants, bars, grocery markets, retail, and private dining;
- the Fulton Market Building, a mixed-use building containing office and retail spaces, including a movie theater and an experiential retail concept focused on "classic lawn games" and cocktails;
- the Historic District retail and other locations which include the Museum Block, Schermerhorn Row, and more;

- 250 Water Street, a full block development site approved for zoning of affordable and market-rate housing, office, retail, and community-oriented gathering space; and
- 85 South Street, an eight-story residential building.

Our assets included in the Landlord Operations segment primarily sit under a long-term ground lease from the City of New York with an amendment that was executed giving the Company extension options for an additional 48 years from its current expiration in 2072 until 2120. We are focused on continuing to fill vacancies in our Landlord Operations portfolio and believe this to be an opportunity to drive incremental segment growth.

Hospitality. Hospitality represents our ownership interests in various food and beverage operating businesses. Today, we own, either wholly or through partnerships with third parties, and operate, including license and management agreements, six fine dining and casual dining restaurants, cocktail bars and entertainment venues (The Fulton, Mister Dips, Carne Mare, Malibu Farm, Pearl Alley, and The Lawn Club), as well as our unconsolidated venture, the Tin Building by Jean-Georges, which offers over 20 culinary experiences, including restaurants, bars, grocery markets, retail, and private dining. These businesses are all our tenants and pay rent to our Landlord Operations. We also have a 25% interest in Jean-Georges Restaurants. Creative Culinary Management Company ("CCMC"), a wholly owned subsidiary of Jean-Georges Restaurants and a related party of the Company, provides management services for certain retail and food and beverage businesses in the Seaport. We aim to capitalize on opportunities in the food and beverage space to leverage growing consumer appetite for unique restaurant experiences as a catalyst to further expand the Company's culinary footprint.

Sponsorships, Events, and Entertainment. Sponsorships, Events, and Entertainment includes the Las Vegas Aviators Triple-A Minor League Baseball team (the "Aviators") and the Las Vegas Ballpark, our interest in and to the Fashion Show Mall Air Rights, events at the Rooftop at Pier 17, and all of our sponsorship agreements across both the Las Vegas Ballpark and the Seaport. The Aviators are a Triple-A affiliate of the Oakland Athletics and play at the Las Vegas Ballpark, a 10,000-person capacity ballpark located in Downtown Summerlin. The Rooftop at Pier 17, as mentioned in Landlord Operations above, is a premier outdoor concert venue that hosts a popular Summer Concert Series featuring emerging and established musicians alike. We see the Rooftop at Pier 17 as an opportunity to continue to drive events and entertainment growth as the demand for live music is strong and accelerating.

Separation from HHH

On October 5, 2023, HHH announced its intent to form a new division, the Seaport Entertainment division of Howard Hughes, that will include HHH's entertainment-related real estate assets and operations described above, and to spin off Seaport Entertainment into a stand-alone publicly traded company through the distribution of all of the outstanding shares of common stock of Seaport Entertainment to HHH's stockholders on a pro rata basis in a distribution intended to be tax-free for U.S. federal income tax purposes, except for cash received in lieu of fractional shares of common stock. While HHH currently intends to effect the distribution, subject to the satisfaction of certain conditions, HHH has no obligation to pursue or consummate any dispositions of its ownership interest in us, including through the distribution, by any specified date or at all. The distribution is subject to various conditions, including the transfer of assets and liabilities to us in accordance with the Separation Agreement; due execution and delivery of the agreements relating to the separation; no order, injunction or decree issued by any court of competent jurisdiction or other legal restraint or prohibition in effect preventing the consummation of the separation, the distribution or any of the related transactions; acceptance for listing on a national stock exchange of our common stock, subject to official notice of distribution; and no other event or development having occurred or in existence that, in the judgment of the board of directors of HHH, in its sole discretion, makes it inadvisable to effect the separation, the distribution or related transactions. The conditions to the distribution may not be satisfied, HHH may decide not to consummate the distribution even if the conditions are satisfied or HHH may decide to waive one or more of these conditions and consummate the distribution even if all of the conditions are not satisfied. There can be no assurance whether or when such transaction will be consummated or as to the final terms of an such transaction.

In connection with the separation and distribution, HHH will transfer $23.4 million in cash to the Company to provide additional liquidity after the distribution date.

Basis of Presentation

We have historically operated as part of HHH and not as a standalone company. The accompanying Combined Financial Statements and Unaudited Condensed Combined Financial Statements have been prepared on a standalone basis derived from the consolidated financial statements and accounting records of HHH. These statements reflect the combined historical results of operations, financial position and cash flows of the Seaport Entertainment division of Howard Hughes in accordance with accounting principles generally accepted in the United States of America ("GAAP"). These statements may not include all expenses that would have been incurred had the Company existed as a separate, stand-alone entity during the periods presented.

For an additional discussion on the basis of presentation of these statements, see Note 1 – Significant Accounting Policies in the Notes to Combined Financial Statements included in this information statement.

Key Factors Affecting Our Business

We believe that our performance and future success depend on a number of factors that present significant opportunities for us but also pose risks and challenges, including those discussed below and in the section of this information statement titled "Risk Factors."

Management Strategies and Operational Changes

As mentioned elsewhere in this information statement, we have historically operated as part of HHH and not as a standalone company. Therefore, our historical results are reflective of the management strategies and operations of the Company based on the direction and strategies of HHH. Additionally, our historical results reflect the allocation of expenses from HHH associated with certain services, including (1) certain support functions that are provided on a centralized basis within HHH, including, but not limited to executive oversight, treasury, accounting, finance, internal audit, legal, information technology, human resources, communications, and risk management; and (2) employee benefits and compensation, including stock-based compensation. As a separate public company, our ongoing costs related to such support functions may differ from, and will likely exceed, the amounts that have been allocated to us in these financial statements. Following the separation, we expect HHH to continue to provide some of these services on a transitional basis in exchange for agreed-upon fees. In addition to one-time costs to design and establish our corporate functions, we will also incur incremental costs associated with being a stand-alone public company, including additional labor costs, such as salaries, benefits, and potential bonuses and/or stock based compensation awards for staff additions to establish certain corporate functions historically supported by HHH and not covered by the transition services agreement, and corporate governance costs, including board of director compensation and expenses, audit and other professional services fees, annual report and proxy statement costs, SEC filing fees, transfer agent fees, consulting and legal fees and stock exchange listing fees. Following the separation and distribution, our future results and cost structure may differ based on new strategies and operational changes implemented by our management team, which may include changes to our chosen organizational structure, whether functions are outsourced or performed by the Company employees, and strategic decisions made in areas such as executive leadership, corporate infrastructure, and information technology.

Tin Building and our investment in the Tin Building by Jean-Georges

The Company owns 100% of the Tin Building which was completed and placed in service in our Landlord Operations segment during the third quarter of 2022. The Company leases 100% of the rentable space in the Tin Building to the Tin Building by Jean-Georges joint venture, a Hospitality segment business in which the Company has an equity ownership interest and reports its ownership interest in accordance with the equity method. Based on capital contribution and distribution provisions for the Tin Building by Jean-Georges joint venture, the Company currently recognizes all of the economic interest in the venture. The Company recognizes lease payments from the Tin Building by Jean-Georges in Rental revenue within the Landlord Operations segment and recognizes its share of the income or losses from the joint venture in Equity in losses from unconsolidated ventures in the Hospitality segment. As the Company currently recognizes 100% of operating income or losses from the Tin Building by Jean-Georges, the Tin Building lease has no net impact to the total Company net loss. However, Landlord Operations Adjusted EBITDA and NOI, as defined below, includes only rental revenue related to the Tin Building lease payments, and does not include the rent expense in Equity in losses from unconsolidated ventures.

The Tin Building by Jean-Georges is managed by CCMC, a related party that is owned by Jean-Georges Restaurants. The Tin Building by Jean-Georges had a soft opening in August 2022 and a grand opening celebration in late September 2022, with an expanded focus on experiences including in-person dining, retail shopping and delivery. Operating hours were initially constrained due to labor shortages and the venture incurred elevated operating losses during the early months of operations; however, during the fourth quarter of 2022, despite continued labor shortages, operating hours were extended to seven days a week. In 2023, the Tin Building by Jean-Georges was open seven days per week, with strong foot traffic and sales. However, operating losses at the Tin Building by Jean-Georges joint venture remained elevated, as the venture continues to refine its operating model, and the Seaport experienced poor weather conditions throughout 2023 and into the first quarter of 2024. As the Company currently funds any operating shortfall and recognizes all of the economic interest in the venture, the future success of the Tin Building by Jean-George may have a significant impact on our results of operations.

Seasonality

Our operations are highly seasonal and are significantly impacted by weather conditions. Concerts at our outdoor venue and Aviator's baseball games primarily occur from May through October, and we typically see increased customer traffic at our restaurants during the summer months when the weather is generally warmer and more favorable, which contributes to higher revenue during these periods. However, weather-related disruptions, such as floods and heavy rains, can negatively impact our summer operations. For instance, outdoor concerts may have to be cancelled or rescheduled due to inclement weather, which can result in lost revenue. Similarly, floods can lead to temporary closures of our restaurants and can disrupt our supply chain, leading to potential revenue losses and increased costs.

During the fall and winter months, our operations tend to slow down due to the colder weather which results in fewer outdoor events, less foot traffic at our restaurants, and the end of the Aviator's baseball season. This seasonality pattern results in lower revenues during these periods. Moreover, severe winter weather conditions, such as snowstorms and freezing temperatures, can further deter customers from visiting our restaurants, further impacting our revenues and cash flow. Our seasonality also results in fluctuations in cash and cash equivalents, accounts receivable, deferred expenses, and accounts payable and other liabilities at different times during the year.

Lease Renewals and Occupancy

As of March 31, 2024, and December 31, 2023, the weighted average remaining term of our retail, office, and other properties leases where we are the lessor was approximately seven years, excluding renewal options. The stability of the rental revenue generated by our properties depends principally on our tenants' ability to pay rent and our ability to collect rents, renew expiring leases, re-lease space upon the expiration or other termination of leases, lease currently vacant properties, and maintain or increase rental rates at our leased properties. To the extent our properties become vacant, we would forego rental income while remaining responsible for the payment of property taxes and maintaining the property until it is re-leased, which could negatively impact our operating results. As of March 31, 2024, our real estate assets at the Seaport were 67% leased. This includes one lease at Pier 17 that is set to expire in December 2025 and represents 12% of our total 2023 rental revenues. We continue to monitor our lease renewals and occupancy rates.

Inflationary Pressures

Financial results across all our segments may be impacted by inflation. In Landlord Operations, certain of our leases contain rent escalators that increase rent at a fixed amount and may not be sufficient during periods of high inflation. For properties leased to third-party tenants, the impact of inflation on our property and operating expenses is limited as substantially all our leases are net leases, and property-level expenses are generally reimbursed by our tenants. Inflation and increased costs may also have an adverse impact on our tenants and their creditworthiness if the increase in property-level expenses is greater than their increase in revenues. For unleased properties and properties occupied by our restaurants, we are more exposed to inflationary pressures on property and operating expenses. For our Hospitality and Sponsorships, Events, and Entertainment segments, inflationary pressure has a direct impact on our profitability due to increases in our costs, as well as potential reductions in customers that could negatively impact revenue.

Significant Items Impacting Comparability

Impairment. The Company reviews its long-lived assets for potential impairment indicators whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. The Company also periodically evaluates its investments in unconsolidated ventures for recoverability and valuation declines that are other than temporary. During the third quarter of 2023, the Company recorded a $672.5 million impairment charge related to Seaport properties in the Landlord Operations segment and a $37.0 million impairment charge related to its investments in unconsolidated ventures in the Hospitality segment. The Company recognized the impairment due to decreases in estimated future cash flows resulting from significant uncertainty of future performance as stabilization and profitability are taking longer than expected, pressure on the current cost structure, decreased demand for office space, as well as an increase in the capitalization rate and a decrease in restaurant multiples used to evaluate future cash flows. The Company used a discounted cash flow analysis to determine the fair value.

Separation Costs. The Company incurred pre-tax charges related to the planned separation from HHH, primarily related to legal and consulting costs, of $9.2 million for the three months ended March 31, 2024, and $4.5 million in the year ended December 31, 2023. No costs related to the planned separation were incurred or recorded in the Combined Statement of Operations for the three months ended March 31, 2023, or the years ended December 31, 2022 and 2021.

Shared Service Costs. HHH provides the Company certain services, including (1) certain support functions that are provided on a centralized basis within HHH, including, but not limited to executive oversight, treasury, accounting, finance, internal audit, legal, information technology, human resources, communications, and risk management; and (2) employee benefits and compensation, including stock-based compensation. The Company's Combined Financial Statements reflect an allocation of these costs. When specific identification or a direct attribution of costs based on time incurred for the Company's benefit is not practicable, a proportional cost method is used, primarily based on revenue, headcount, payroll costs or other applicable measures. The Company recorded expenses associated with shared services that are not directly attributable to the Company of $3.6 million and $3.0 million for the three months ended March 31, 2024, and 2023, respectively, and $13.9 million, $10.0 million, and $6.7 million for the years ended December 31, 2023, 2022, and 2021, respectively.

Components of our Combined Statements of Operations

Sponsorships, Events, and Entertainment Revenue. Our Sponsorships, events, and entertainment revenue is generally comprised of baseball-related ticket sales, concert-related ticket sales, events-related service revenue, concession sales, and advertising and sponsorships revenue.

Hospitality Revenue. Hospitality revenue is generated by the Seaport restaurants.

Rental Revenue. Rental revenue is associated with the Company's Landlord Operations assets and is comprised of minimum rent, percentage rent in lieu of fixed minimum rent, tenant recoveries, and overage rent.

Other Revenue. Other revenue is comprised of parking revenue and other miscellaneous revenue.

Sponsorships, *Events, and Entertainment Costs*. Sponsorships, events, and entertainment costs mainly include labor costs, event production costs, show-related marketing and advertising expenses, fulfillment costs related to our sponsorship programs, food and beverage costs related to our events and concerts, artist fees, licensing fees, and ticket-agency fees, along with other costs.

Hospitality Costs. Hospitality costs mainly include food and beverage costs related to our restaurants and retail business along with other costs that include labor costs and management fees for employment and supervision of all employees at the Company's restaurants.

Operating Costs. Operating costs primarily consist of ground rent, production fees, electricity, labor costs and building service contracts along with other costs.

Provision for Doubtful Accounts. Provision for doubtful accounts reflects the reserves recorded for estimated losses on accounts receivable if the estimated losses are probable and can be reasonably estimated.

General and Administrative. General and administrative costs include direct and allocated labor costs and overhead expenses for support functions that are provided on a centralized basis within HHH, including, but not limited to executive oversight, treasury, accounting, finance, internal audit, legal, information technology, human resources, communications, risk management, and employee benefits and compensation, including stock-based compensation.

Depreciation and Amortization Expense. Depreciation and amortization expenses are related to the Company's buildings and equipment and intangible assets.

Provision for Impairment. Provision for impairment for the year ended December 31, 2023, includes an impairment charge related to long-lived assets located at the Seaport. Refer to the Significant Items Impacting Comparability section above for additional detail.

*Other Income, Ne*t. Other income, net includes various miscellaneous other income and expense items.

Interest Expense, Net. Interest expense, net is related to the Company's secured mortgages payable, net of interest expense capitalized to development assets and interest income from the collateral deposit associated with the 250 Water Street mortgage.

Equity in Losses from Unconsolidated Ventures. Equity in losses from unconsolidated ventures represents the Company's allocable share of earnings or losses of each venture, based on the distribution provisions in the joint venture operating agreements, as well as impairment charges related to its investments.

Income Tax (Benefit) Expense. The Company generated operating losses in each of the periods presented. The Company is not recognizing an income tax benefit related to these losses because operating results of the Company have historically been included in the consolidated federal and combined state tax returns of HHH and the resulting tax attributes have been fully utilized by the Parent and are no longer available to the Company for future use. These unbenefited losses cause the Company's effective tax rate to deviate from the federal statutory rate.

For additional information on income taxes, see Note 10 - Income Taxes in the Notes to Combined Financial Statements and Note 8 – Income Taxes in the Notes to Unaudited Condensed Combined Financial Statements included in this information statement.

Non-GAAP Measure

Landlord Operations Net Operating Income

In addition to the required presentations using GAAP, we use certain non-GAAP performance measures, as we believe these measures improve the understanding of our operational results and make comparisons of operating results among peer companies more meaningful. Management continually evaluates the usefulness, relevance, limitations and calculation of our reported non-GAAP performance measures to determine how best to provide relevant information to the public, and thus such reported measures could change.

Landlord Operations Net Operating Income ("Landlord Operations NOI") is a non-GAAP supplemental measure that we believe is useful in measuring the year-over-year performance of our Landlord Operations segment. As Landlord Operations NOI reflects the revenues and expenses directly associated with owning and operating real estate properties, variances between years in Landlord Operations NOI typically result from changes in rental rates, occupancy, tenant mix, and operating expenses. We define Landlord Operations NOI as operating revenues (rental income, tenant recoveries, and other revenue) less operating expenses (real estate taxes, repairs and maintenance, marketing, and other property expenses). Landlord Operations NOI excludes straight-line rents and amortization of tenant incentives, net; interest expense, net; ground rent amortization; other income (loss); expenses for concepts that did not proceed to completion; depreciation and amortization; development-related marketing costs; gain on sale or disposal of real estate and other assets, net; provision for impairment and equity in earnings (losses) from unconsolidated ventures.

Although we believe that Landlord Operations NOI provides useful information to investors about the performance of our Landlord Operations segment, due to the exclusions noted above, Landlord Operations NOI

should only be used as an additional measure of the financial performance of such assets and not as an alternative to GAAP net income.

Results of Operations

Comparison of the Three Months Ended March 31, 2024 and 2023

The following table sets forth our operating results:

	Three Months Ended March 31,		Change	
thousands except percentages	2024	2023	$	%
REVENUES				
Sponsorships, events, and entertainment revenue	$ 4,180	$ 4,081	$ 99	2 %
Hospitality revenue	4,004	5,222	(1,218)	(23) %
Rental revenue	6,447	5,442	1,005	18 %
Other revenue	23	3	20	667 %
Total revenue	**14,654**	**14,748**	**(94)**	**(1)%**
EXPENSES				
Sponsorships, events, and entertainment costs	4,861	5,988	(1,127)	(19) %
Hospitality costs	5,568	6,881	(1,313)	(19) %
Operating costs	9,904	9,137	767	8 %
Provision for (recovery of) doubtful accounts	953	(19)	972	NM[1]
General and administrative	16,554	5,456	11,098	203 %
Depreciation and amortization	8,074	13,230	(5,156)	(39) %
Other	—	403	(403)	(100) %
Total expenses	**45,914**	**41,076**	**4,838**	**12 %**
OTHER				
Other income, net	8	21	(13)	(62) %
Total other	8	21	(13)	(62) %
Operating loss	**(31,252)**	**(26,307)**	**(4,945)**	**19 %**
Interest expense, net	(2,546)	(630)	(1,916)	304 %
Equity in losses from unconsolidated ventures	(10,280)	(10,820)	540	(5) %
Loss before income taxes	**(44,078)**	**(37,757)**	**(6,321)**	**17 %**
Income tax (benefit) expense	—	—	—	—
Net loss	**$ (44,078)**	**$ (37,757)**	**$ (6,321)**	**17 %**

1 Not Meaningful

Net loss increased $6.3 million, or 17%, to $44.1 million for the three months ended March 31, 2024, compared to $37.8 million in the prior-year period, primarily due to the $11.1 million increase in general and administrative costs, partially offset by the $5.1 million decrease in depreciation and amortization.

Items Included in Segment Adjusted EBITDA

See Segment Operating Results for discussion of significant variances for revenues and expenses included in Adjusted EBITDA.

Items Excluded from Segment Adjusted EBITDA

The following includes information on the significant variances in expenses and other items not directly related to segment activities.

General and Administrative. General and administrative costs increased $11.1 million, or 203%, to $16.6 million for the three months ended March 31, 2024, compared to $5.5 million in the prior-year period. This change was primarily due to a $9.2 million increase in separation costs, $1.2 million increase in personnel and overhead expenses, a $0.6 million increase in shared service costs allocated from HHH based on various allocation methodologies, and a $0.1 million increase in rent expense related to the corporate office lease.

Depreciation and Amortization Expense. Depreciation and amortization expense decreased $5.1 million, or 39%, to $8.1 million for the three months ended March 31, 2024, compared to $13.2 million in the prior-year period. This change was primarily due to a decrease in depreciation expense following the impairment recognized on the Company's buildings and equipment in the third quarter of 2023.

Interest Expense, Net. Interest expense, net increased $1.9 million, or 304%, to $2.5 million for the three months ended March 31, 2024, compared to $0.6 million in the prior-year period. This change is primarily due to a $1.3 million decrease in amounts capitalized to development assets and a $0.6 million increase in interest expense on secured mortgages payable.

Equity in Losses from Unconsolidated Ventures. Equity losses from unconsolidated ventures decreased $0.5 million, or 5%, to $10.3 million for the three months ended March 31, 2024, compared to $10.8 million in the prior-year period. This change was primarily due to a $0.5 million decrease in losses for the Tin Building by Jean-Georges and a $0.4 million decrease in losses for Ssäm Bar, which closed in the third quarter of 2023, partially offset by a $0.4 million increase in losses related to the Lawn Club, which opened in the fourth quarter of 2023.

Segment Operating Results

Landlord Operations

Segment Adjusted EBITDA

The following table presents segment Adjusted EBITDA for Landlord Operations:

Landlord Operations Adjusted EBITDA	**Three Months Ended March 31,**		**Change**	
thousands except percentages	**2024**	**2023**	**$**	**%**
Rental revenue	$ 6,447	$ 5,442	$ 1,005	18 %
Other revenue	23	3	20	667 %
Total revenues	6,470	5,445	1,025	19 %
Operating costs	(8,267)	(7,432)	(835)	(11)%
Provision for doubtful accounts	(198)	(45)	(153)	(340)%
Total operating expenses	(8,465)	(7,477)	(988)	(13)%
Other income, net	4	8	(4)	(50)%
Total expenses	(8,461)	(7,469)	(992)	(13)%
Adjusted EBITDA	$ (1,991)	$ (2,024)	$ 33	2 %

Landlord Operations Adjusted EBITDA loss decreased $33 thousand compared to the prior-year period primarily due to the following:

Rental Revenue. Rental revenue increased $1.0 million, or 18%, to $6.4 million for the three months ended March 31, 2024, compared to $5.4 million in the prior-year period. This change was primarily driven by a $1.1 million increase in rental revenue at the Fulton Market Building due to the commencement of the Alexander Wang lease at the end of 2023.

Operating Costs. Operating costs increased $0.8 million, or 11%, to $8.3 million for the three months ended March 31, 2024, compared to $7.4 million in the prior year period. This change was primarily due to a $0.3 million increase in professional services fees, a $0.3 million in state business taxes, and a $0.1 million increase in insurance expense.

Provision for Doubtful Accounts. Provision for doubtful accounts expense increased $0.2 million, or 340%, to $0.2 million for the three months ended March 31, 2024, compared to $45 thousand in the prior-year period, primarily due to a tenant reserve established during the three months ended March 31, 2024.

Non-GAAP Measure

Landlord Operations Net Operating Income

Refer to the Non-GAAP Measure discussion above for additional information and disclosure on the usefulness, relevance, limitations, and calculation of Landlord Operations Net Operating Income. A reconciliation of Landlord Operations Adjusted EBITDA to Landlord Operations NOI is presented in the table below.

Reconciliation of Landlord Operations Adjusted EBITDA to Landlord Operations NOI:

Landlord Operations NOI	**Three Months Ended March 31,**		**Change**	
thousands except percentages	**2024**	**2023**	**$**	**%**
Landlord Operations Adjusted EBITDA	$ (1,991)	$ (2,024)	$ 33	2 %
Adjustments:				
Impact of straight-line rent	445	717	(272)	(38)%
Other	(4)	(8)	4	(50)%
Landlord Operations NOI	$ (1,550)	$ (1,315)	$ (235)	(18)%

Landlord Operations NOI losses increased $0.2 million compared to the prior-year period, primarily due to increased operating costs and provision for doubtful accounts, partially offset by the increase in rental revenue as mentioned above.

Hospitality

Segment Adjusted EBITDA

The following table presents segment Adjusted EBITDA for Hospitality:

Hospitality Adjusted EBITDA	**Three Months Ended March 31,**		**Change**	
thousands except percentages	**2024**	**2023**	**$**	**%**
Hospitality revenue	$ 4,004	$ 5,222	$ (1,218)	(23)%
Total revenues	4,004	5,222	(1,218)	(23)%
Hospitality costs	(5,568)	(6,881)	1,313	19 %
Operating costs	(553)	(704)	151	21 %
Provision for doubtful accounts	(101)	(1)	(100)	NM[1]
Total operating expenses	(6,222)	(7,586)	1,364	18 %
Other income, net	2	7	(5)	(71)%
Total expenses	(6,220)	(7,579)	1,359	18 %
Adjusted EBITDA	$ (2,216)	$ (2,357)	$ 141	6 %

1 Not Meaningful

Hospitality Adjusted EBITDA loss decreased $0.1 million compared to the prior-year period primarily due to the following:

Hospitality Revenue. Hospitality revenue decreased $1.2 million, or 23%, to $4.0 million for the three months ended March 31, 2024, compared to $5.2 million in the prior-year period. This change was primarily due to a $1.0 million decrease related to reduced performance across our restaurant portfolio, primarily at Malibu Farms, The Fulton, and Carne Mare, and a $0.2 million decrease related to small popups and short-term activations in the Cobble & Co space in the first quarter of 2023, with no similar activity in the first quarter of 2024. The reduced restaurant performance was primarily related to poor weather conditions in the first quarter of 2024, as evidenced by 45% increase in total rainfall during the peak days of Friday through Sunday.

Hospitality Costs. Hospitality costs decreased $1.3 million, or 19%, to $5.6 million for the three months ended March 31, 2024, compared to $6.9 million in the prior-year period, primarily due to decreases in variable costs such as food and beverage costs and labor costs, which are generally in line with the decrease in Hospitality revenue.

Sponsorships, Events, and Entertainment

Segment Adjusted EBITDA

The following table presents segment Adjusted EBITDA for Sponsorships, Events, and Entertainment:

Sponsorships, Events, and Entertainment Adjusted EBITDA	**Three Months Ended March 31,**		**Change**	
thousands except percentages	**2024**	**2023**	**$**	**%**
Sponsorships, events, and entertainment revenue	$ 4,180	$ 4,081	$ 99	2 %
Total revenues	4,180	4,081	99	2 %
Sponsorships, events, and entertainment costs	(4,861)	(5,988)	1,127	19 %
Operating costs	(1,084)	(1,001)	(83)	(8)%
Provision for (recovery of) doubtful accounts	(654)	65	(719)	NM[1]
Total operating expenses	(6,599)	(6,924)	325	5 %
Other income, net	2	6	(4)	(67)%
Total expenses	(6,597)	(6,918)	321	5 %
Adjusted EBITDA	$ (2,417)	$ (2,837)	$ 420	15 %

1 Not Meaningful

Sponsorships, Events, and Entertainment Adjusted EBITDA loss decreased $0.4 million compared to the prior-year period primarily due to the following:

Sponsorships, Events, and Entertainment Revenue. Sponsorships, events, and entertainment revenue increased $0.1 million, or 2%, to $4.2 million for the three months ended March 31, 2024, compared to $4.1 million in the prior-year period. This change was primarily due to a $0.3 million increase in event revenue and concession sales at the Las Vegas Ballpark, primarily related to hosting the 2024 College Baseball Classic, without a similar event in 2023. This increase was partially offset by a $0.2 million decrease in sponsorship revenue at the Seaport as three sponsorship contracts were not renewed.

Sponsorships, Events, and Entertainment Costs. Sponsorships, events, and entertainment costs decreased $1.1 million, or 19%, to $4.9 million for the three months ended March 31, 2024, compared to $6.0 million in the prior year period. This change was primarily due to a $0.9 million decrease in costs associated with events at the Las Vegas Ballpark, primarily due to decreased travel expenses and team fees for Big League Weekend as only two teams competed in the 2024 event, compared to four teams in the 2023 event, and a $0.3 million decrease in breakdown and removal costs associated with the seasonal Winterland Skating concept at the Seaport.

Comparison of the Years Ended December 31, 2023 and 2022

The following table sets forth our operating results:

thousands except percentages	Year Ended December 31, 2023	Year Ended December 31, 2022	Change $	Change %
REVENUES				
Sponsorships, events, and entertainment revenue	$ 60,623	$ 55,724	$ 4,899	9 %
Hospitality revenue	32,951	42,565	(9,614)	(23) %
Rental revenue	22,096	19,810	2,286	12 %
Other revenue	8	947	(939)	(99) %
Total revenue	**115,678**	**119,046**	**(3,368)**	**(3)%**
EXPENSES				
Sponsorships, events, and entertainment costs	47,466	38,764	8,702	22 %
Hospitality costs	31,432	38,037	(6,605)	(17) %
Operating costs	41,219	44,048	(2,829)	(6) %
Provision for doubtful accounts	459	1,412	(953)	(67) %
General and administrative	30,536	16,977	13,559	80 %
Depreciation and amortization	48,432	47,356	1,076	2 %
Other	81	58	23	40 %
Total expenses	**199,625**	**186,652**	**12,973**	**7 %**
OTHER				
Provision for impairment	(672,492)	—	(672,492)	NM[1]
Other income, net	33	935	(902)	(96) %
Total other	(672,459)	935	(673,394)	NM[1]
Operating loss	**(756,406)**	**(66,671)**	**(689,735)**	**NM[1]**
Interest expense, net	(3,166)	(4,013)	847	21 %
Equity in losses from unconsolidated ventures	(80,633)	(37,124)	(43,509)	(117) %
Loss on extinguishment of debt	(47)	—	(47)	NM[1]
Loss before income taxes	**(840,252)**	**(107,808)**	**(732,444)**	**(679)%**
Income tax (benefit) expense	(2,187)	3,469	(5,656)	(163) %
Net loss	**$ (838,065)**	**$ (111,277)**	**$ (726,788)**	**(653)%**

1 Not Meaningful

Net loss increased $726.8 million, or 653%, to $838.1 million for the year ended December 31, 2023, compared to $111.3 million in the prior-year period, primarily due to the $672.5 million increase in impairment charges, the $43.5 million increase in equity losses from unconsolidated ventures, and the $13.6 million increase in general and administrative costs.

Items Included in Segment Adjusted EBITDA

See Segment Operating Results for discussion of significant variances for revenues and expenses included in Adjusted EBITDA.

Items Excluded from Segment Adjusted EBITDA

The following includes information on the significant variances in expenses and other items not directly related to segment activities.

General and Administrative. General and administrative costs increased $13.6 million, or 80%, to $30.5 million for the year ended December 31, 2023, compared to $17.0 million in the prior-year period. This change was primarily due to a $4.5 million increase in separation costs, a $3.6 million increase in shared service costs allocated from HHH based on various allocation methodologies, a $3.3 million increase in personnel and overhead expenses, a $1.6 million increase in expenses related to the development of the Company's e-commerce platform, and a $0.6 million increase in rent expense related to the corporate office lease.

Depreciation and Amortization Expense. Depreciation and amortization expense increased $1.1 million, or 2%, to $48.4 million for the year ended December 31, 2023, compared to $47.4 million in the prior-year period. This change was primarily due to an increase of $1.7 million related to our Landlord Operations properties as a result of an increase in depreciation for the Tin Building, which was completed and placed in service in the third quarter of 2022, partially offset by a decrease in depreciation expense following the impairment recognized on the Company's buildings and equipment in the third quarter of 2023.

Provision for Impairment. Provision for impairment for the year ended December 31, 2023, includes a $672.5 million impairment charge related to long-lived assets located at the Seaport. No impairment was recorded for the year ended December 31, 2022. Refer to the Significant Items Impacting Comparability section above for additional detail.

Interest Expense, Net. Interest expense, net decreased $0.8 million, or 21%, to $3.2 million for the year ended December 31, 2023, compared to $4.0 million in the prior-year period. This change is primarily due to, a $4.5 million increase in amounts capitalized to development assets and a $0.2 million increase in interest income, offset by a $3.9 million increase in interest expense on secured mortgages payable.

Equity in Losses from Unconsolidated Ventures. Equity losses from unconsolidated ventures increased $43.5 million, or 117%, to $80.6 million for the year ended December 31, 2023, compared to $37.1 million in the prior-year period. This change was primarily due to a $37.0 million impairment recognized in 2023 against the carrying value of the Company's investments in unconsolidated ventures, which included $30.8 million related to Jean-Georges Restaurants, $5.0 million related to Ssäm Bar, and $1.2 million related to the Tin Building by Jean-Georges. Excluding the impact of the impairment, equity losses increased $6.5 million, primarily related to a $4.7 million increase for the Tin Building by Jean-Georges, which opened in the third quarter of 2022, and a $1.3 million increase related to the Lawn Club, which opened in the fourth quarter of 2023.

Income Tax (Benefit) Expense. The following table summarizes information related to our income taxes:

	Year Ended December 31,		Change	
thousands except percentages	2023	2022	$	%
Income tax (benefit) expense	$ (2,187)	$ 3,469	$ (5,656)	(163)%
Loss before income taxes	$ (840,252)	$ (107,808)	$ (732,444)	(679)%
Effective income tax rate	0.3 %	(3.2)%	N/A	3.5 %

The Company's effective tax rate was 0.3% for the year ended December 31, 2023, compared to (3.2%) for the year ended December 31, 2022. The increase was primarily due to the recording of a valuation allowance on the US consolidated federal and state deferred tax asset balance.

Segment Operating Results

Landlord Operations

Segment Adjusted EBITDA

The following table presents segment Adjusted EBITDA for Landlord Operations:

Landlord Operations Adjusted EBITDA	**Year Ended December 31,**		**Change**	
thousands except percentages	**2023**	**2022**	**$**	**%**
Rental revenue	$ 22,096	$ 19,810	$ 2,286	12 %
Other revenue	8	932	(924)	(99) %
Total revenues	22,104	20,742	1,362	7 %
Operating costs	(31,543)	(34,087)	2,544	7 %
Provision for doubtful accounts	(80)	(1,090)	1,010	93 %
Total operating expenses	(31,623)	(35,177)	3,554	10 %
Other income, net	8	457	(449)	(98) %
Total expenses	(31,615)	(34,720)	3,105	9 %
Adjusted EBITDA	**$ (9,511)**	**$ (13,978)**	**$ 4,467**	**32 %**

Landlord Operations Adjusted EBITDA loss decreased $4.5 million compared to the prior-year period primarily due to the following:

Rental Revenue. Rental revenue increased $2.3 million, or 12%, to $22.1 million for the year ended December 31, 2023, compared to $19.8 million in the prior-year period. This change was primarily driven by a $6.6 million increase in rental revenue due to the completion of the Tin Building and the commencement of the lease to the Tin Building by Jean-Georges joint venture in the third quarter of 2022, partially offset by a $2.9 million decrease in rental revenue at the Fulton Market Building primarily due to the reversal of a tenant reserve in 2022, with no similar activity in 2023.

Other Revenue. Other revenue decreased $0.9 million, or 99%, to $8 thousand for the year ended December 31, 2023, compared to $0.9 million in the prior-year period. This change was primarily due to the recognition of parking revenue at 250 Water Street in the first half of 2022, with no similar activity in 2023, as parking operations were suspended upon the commencement of voluntary site remediation work in the second quarter of 2022.

Operating Costs. Operating costs decreased $2.5 million, or 7%, to $31.5 million for the year ended December 31, 2023, compared to $34.1 million in the prior year period. This change was primarily due to a $2.3 million decrease related to the write off of costs for concepts that did not proceed to completion in 2022, without similar activity in 2023, and a decrease of $1.4 million in utilities costs, partially offset by a $1.0 million increase in insurance expense.

Provision for Doubtful Accounts. Provision for doubtful accounts decreased $1.0 million, or 93%, to $0.1 million for the year ended December 31, 2023, compared to $1.1 million in the prior-year period, primarily due to the recognition of a tenant reserve at Fulton Market Building in 2022, with no similar activity in 2023.

Other Income, Net. Other income, net decreased $0.5 million, or 98%, to $8 thousand for the year ended December 31, 2023, compared to $0.5 million in the prior-year period, primarily due to the receipt of insurance reimbursements in 2022, with no similar activity in 2023.

Non-GAAP Measure

Landlord Operations Net Operating Income

Refer to the Non-GAAP Measure discussion above for additional information and disclosure on the usefulness, relevance, limitations, and calculation of Landlord Operations Net Operating Income. A reconciliation of Landlord Operations Adjusted EBITDA to Landlord Operations NOI is presented in the table below.

A reconciliation of Landlord Operations Adjusted EBITDA to Landlord Operations NOI:

Landlord Operations NOI

thousands except percentages	Year Ended December 31, 2023	2022	Change $	Change %
Landlord Operations Adjusted EBITDA	$ (9,511)	$ (13,978)	$ 4,467	32 %
Adjustments:				
Impact of straight-line rent	2,453	961	1,492	155 %
Other	74	2,405	(2,331)	(97) %
Landlord Operations NOI	**$ (6,984)**	**$ (10,612)**	**$ 3,628**	**34 %**

Landlord Operations NOI losses decreased $3.6 million compared to the prior-year period, primarily due to increased rental revenue related to the opening of the Tin Building in the third quarter of 2022 and a decrease in provision for doubtful accounts related to the recognition of a tenant reserve at the Fulton Market Building in 2022, with no similar activity in 2023.

Hospitality

Segment Adjusted EBITDA

The following table presents segment Adjusted EBITDA for Hospitality:

Hospitality Adjusted EBITDA

thousands except percentages	Year Ended December 31, 2023	2022	Change $	Change %
Hospitality revenue	$ 32,951	$ 42,565	$ (9,614)	(23) %
Other revenue	—	15	(15)	(100) %
Total revenues	32,951	42,580	(9,629)	(23) %
Hospitality costs	(31,432)	(38,037)	6,605	17 %
Operating costs	(4,224)	(4,893)	669	14 %
Provision for doubtful accounts	(42)	(165)	123	75 %
Total operating expenses	(35,698)	(43,095)	7,397	17 %
Other income, net	31	19	12	63 %
Total expenses	(35,667)	(43,076)	7,409	17 %
Adjusted EBITDA	**$ (2,716)**	**$ (496)**	**$ (2,220)**	**(448)%**

Hospitality Adjusted EBITDA loss increased $2.2 million compared to the prior-year period primarily due to the following:

Hospitality Revenue. Hospitality revenue decreased $9.6 million, or 23%, to $33.0 million for the year ended December 31, 2023, compared to $42.6 million in the prior-year period. Hospitality revenue decreased $3.3 million due to the closure of the Cobble & Co. concept at Museum Block in the fourth quarter of 2022, with only small popups and short-term activations utilizing the space during 2023. Hospitality revenue also decreased $3.6 million due to concept changes and reduced 2023 activity on The Rooftop at Pier 17. In 2022, the Rooftop hosted the APEfest event, various private event buyouts, and activated the R17 concept, compared to fewer private events and

lower usage of the R17 concept in 2023. Revenue related to our other restaurant concepts, primarily Malibu Farms, The Fulton, Carne Mare, and Pearl Alley, decreased $2.6 million due to poor weather conditions, and fewer restaurant buyouts and private events throughout 2023. The impact of poor weather is evidenced by a 63% increase in total rainfall during the peak visitation months of May through September and an 8% increase in total rainfall during the peak days of Friday through Sunday. The business also experienced a partial closure of outdoor operations in June 2023 due to air quality impacts associated with Canadian wildfires that affected large portions of the Mid-Atlantic and Northeast.

Hospitality Costs. Hospitality costs decreased $6.6 million, or 17%, to $31.4 million for the year ended December 31, 2023, compared to $38.0 million in the prior-year period, primarily due to decreases in variable costs such as food and beverage costs and labor costs, which are generally in line with the decrease in Hospitality revenue.

Operating Costs. Operating costs decreased $0.7 million, or 14%, to $4.2 million for the year ended December 31, 2023, compared to $4.9 million in the prior-year period, primarily due to a decrease in state business taxes.

Sponsorships, Events, and Entertainment

Segment Adjusted EBITDA

The following table presents segment Adjusted EBITDA for Sponsorships, Events, and Entertainment:

Sponsorships, Events, and Entertainment Adjusted EBITDA	**Year Ended December 31,**		**Change**	
thousands except percentages	**2023**	**2022**	**$**	**%**
Sponsorships, events, and entertainment revenue	$ 60,623	$ 55,724	$ 4,899	9 %
Total revenues	60,623	55,724	4,899	9 %
Sponsorships, events, and entertainment costs	(47,466)	(38,764)	(8,702)	(22)%
Operating costs	(5,452)	(5,068)	(384)	(8)%
Provision for doubtful accounts	(337)	(157)	(180)	(115)%
Total operating expenses	(53,255)	(43,989)	(9,266)	(21)%
Other income, net	(6)	459	(465)	(101)%
Total expenses	(53,261)	(43,530)	(9,731)	(22)%
Adjusted EBITDA	**$ 7,362**	**$ 12,194**	**$ (4,832)**	(40)%

Sponsorships, Events, and Entertainment Adjusted EBITDA income decreased $4.8 million compared to the prior-year period primarily due to the following:

Sponsorships, Events, and Entertainment Revenue. Sponsorships, events, and entertainment revenue increased $4.9 million, or 9%, to $60.6 million for the year ended December 31, 2023, compared to $55.7 million in the prior-year period. This change was primarily due to a $1.3 million increase in Aviators baseball and special event ticket sales, a $1.4 million increase in concession sales at the Las Vegas Ballpark, a $0.8 million increase in Seaport concert ticket sales, a $0.4 million increase in sponsorship revenue at the Seaport, and a $1.4 million increase in event revenue, primarily related to the Winterland Skating concept offered on the Pier 17 rooftop during the fourth quarter of 2023, that was not offered in 2022. These increases were partially offset by a $0.5 million decrease in concerts and event concessions revenue at the Seaport.

Sponsorships, Events, and Entertainment Costs. Sponsorships, events, and entertainment costs increased $8.7 million, or 22%, to $47.5 million for the year ended December 31, 2023, compared to $38.8 million in the prior year period. This change was primarily due to a $5.0 million increase in costs associated with the Aviators baseball season and special events at the Aviators ballpark, primarily due to increases in labor costs, concessions costs, and other various event related costs, a portion of which is associated with hosting the Major League Baseball Big League Weekend in 2023, with no similar event in 2022. In addition, there was an increase of $2.8 million at the

Seaport related to the Winterland Skating concept offered in 2023, and an increase of $0.6 million related to the Seaport concert series, primarily due to increases in production costs.

Operating Costs. Operating costs increased $0.4 million, or 8%, to $5.5 million for the year ended December 31, 2023, compared to $5.1 million in the prior year period. This change was primarily due to a $0.5 million increase in real estate and sales and use tax, a $0.3 million increase in advertising cost, and a $0.2 million increase in consulting and professional service fees, partially offset by a $0.5 million decrease in insurance expense.

Other Income, Net. Other income, net decreased $0.5 million, to a loss of $6 thousand for the year ended December 31, 2023, compared to income of $0.5 million in the prior-year period, primarily due to the receipt of insurance reimbursements in 2022, with no similar activity in 2023.

Comparison of the Years Ended December 31, 2022 and 2021

The following table sets forth our operating results:

	Year Ended December 31,		Change	
thousands except percentages	**2022**	**2021**	**$**	**%**
REVENUES				
Sponsorships, events, and entertainment revenue	$ 55,724	$ 41,504	$ 14,220	34 %
Hospitality revenue	42,565	29,632	12,933	44 %
Rental revenue	19,810	7,978	11,832	148 %
Other revenue	947	3,506	(2,559)	(73) %
Total revenue	**119,046**	**82,620**	**36,426**	**44 %**
EXPENSES				
Sponsorships, events, and entertainment costs	38,764	29,260	9,504	32 %
Hospitality costs	38,037	27,643	10,394	38 %
Operating costs	44,048	41,870	2,178	5 %
Provision for doubtful accounts	1,412	161	1,251	777 %
General and administrative	16,977	17,214	(237)	(1) %
Depreciation and amortization	47,356	41,612	5,744	14 %
Other	58	977	(919)	(94) %
Total expenses	**186,652**	**158,737**	**27,915**	**18 %**
OTHER				
Other income, net	935	198	737	372 %
Total other	935	198	737	372 %
Operating loss	**(66,671)**	**(75,919)**	**9,248**	**12 %**
Interest expense, net	(4,013)	(6,534)	2,521	(39) %
Equity in losses from unconsolidated ventures	(37,124)	(1,988)	(35,136)	NM[1]
Loss before income taxes	**(107,808)**	**(84,441)**	**(23,367)**	**(28)%**
Income tax (benefit) expense	3,469	(3,575)	7,044	(197) %
Net loss	**$ (111,277)**	**$ (80,866)**	**$ (30,411)**	**(38)%**

1 Not Meaningful

Net loss increased $30.4 million, or 38%, to $111.3 million for the year ended December 31, 2022, compared to $80.9 million in the prior-year period, primarily due to a $35.1 million increase in equity losses from unconsolidated joint ventures, a $7.0 million increase in income tax expense, and a $5.7 million increase in depreciation and amortization expense. This was partially offset by an $8.4 million increase in Landlord Operations EBITDA, primarily due to the commencement of the Tin Building lease in the third quarter of 2022 and COVID related

recoveries in 2022, and a $4.9 million increase in Sponsorships, Events, and Entertainment EBITDA, primarily due to increase in the number of concerts and events held at the Seaport and an increase in the number of Aviators games hosted in 2022.

Items Included in Segment Adjusted EBITDA

See Segment Operating Results for discussion of significant variances for revenues and expenses included in Adjusted EBITDA

Items Excluded from Segment Adjusted EBITDA

The following includes information on the significant variances in expenses and other items not directly related to segment activities.

General and Administrative. General and administrative costs decreased $0.2 million, or 1%, to $17.0 million for the year ended December 31, 2022, compared to $17.2 million in the prior-year period. This change was primarily due to a $3.2 million decrease in personnel and overhead expenses, partially offset by a $3.0 million increase in shared service costs allocated from HHH based on various allocation methodologies.

Depreciation and Amortization Expense. Depreciation and amortization expense increased $5.7 million, or 14%, to $47.4 million for the year ended December 31, 2022, compared to $41.6 million in the prior-year period. This change was primarily due to a $4.3 million increase related to the Tin Building which was completed and placed in service in the third quarter of 2022 and a $1.0 million increase related to Pier 17 due to a full year of depreciation in 2022 of tenant improvements, equipment, and fixtures for various concepts that opened throughout 2021, including Pearl Alley, Carne Mare, and The Greens mini lawn spaces and winter cabins popup events.

Interest Expense, Net. Interest expense, net decreased $2.5 million, or 39%, to $4.0 million for the year ended December 31, 2022, compared to $6.5 million in the prior-year period. This change is primarily due to a $4.0 million increase in amounts capitalized to development assets, partially offset by a $1.5 million increase in interest expense on secured mortgages payable.

Equity in Losses from Unconsolidated Ventures. Equity losses from unconsolidated ventures increased $35.1 million to $37.1 million for the year ended December 31, 2022, compared to $2.0 million in the prior-year period. This change was primarily due to a $36.8 million increase in equity losses for the Tin Building by Jean-Georges, which opened in the third quarter of 2022.

Income Tax (Benefit) Expense. The following table summarizes information related to our income taxes:

	Year Ended December 31,		Change	
thousands except percentages	2022	2021	$	%
Income tax (benefit) expense	$ 3,469	$ (3,575)	$ 7,044	(197)%
Loss before income taxes	$ (107,808)	$ (84,441)	$ (23,367)	28 %
Effective income tax rate	(3.2)%	4.2 %	N/A	(7.4)%

The Company's effective tax rate was (3.2)% for the year ended December 31, 2022, compared to 4.2% for the year ended December 31, 2021. The decrease in the effective tax rate is primarily due to hypothetical net operating losses which the Company is unable to benefit.

Segment Operating Results

Landlord Operations

Segment Adjusted EBITDA

The following table presents segment Adjusted EBITDA for Landlord Operations:

Landlord Operations Adjusted EBITDA	**Year Ended December 31,**		**Change**	
thousands except percentages	**2022**	**2021**	**$**	**%**
Rental revenue	$ 19,810	$ 7,978	$ 11,832	148 %
Other revenue	932	2,925	(1,993)	(68) %
Total revenues	20,742	10,903	9,839	90 %
Operating costs	(34,087)	(33,267)	(820)	(2) %
Provision for (recovery of) doubtful accounts	(1,090)	18	(1,108)	NM[1]
Total operating expenses	(35,177)	(33,249)	(1,928)	(6) %
Other income, net	457	7	450	NM[1]
Total expenses	(34,720)	(33,242)	(1,478)	(4) %
Adjusted EBITDA	**$ (13,978)**	**$ (22,339)**	**$ 8,361**	**37 %**

1 Not Meaningful

Landlord Operations Adjusted EBITDA loss decreased $8.4 million compared to the prior-year period primarily due to the following:

Rental Revenue. Rental revenue increased $11.8 million, or 148%, to $19.8 million for the year ended December 31, 2022, compared to $8.0 million in the prior-year period. This change was primarily driven by a $5.1 million increase in rental revenue related to the reversal of a tenant reserve at Fulton Market Building in 2022, a $5.0 million increase in rental revenue due to the completion of the Tin Building and the commencement of the lease to the Tin Building by Jean-Georges joint venture in the third quarter of 2022, and a $1.5 million increase in rental revenue across our other Seaport properties due to new tenants, extended lease agreements, and continued recovery from the COVID-19 pandemic.

Other Revenue. Other revenue decreased $2.0 million, or 68%, to $0.9 million for the year ended December 31, 2022, compared to $2.9 million in the prior-year period. This change was primarily due to a decrease in parking revenue at 250 Water Street which was utilized as a parking lot in 2021 and the first quarter of 2022, prior to the start of initial foundation and voluntary site remediation work in the second quarter of 2022.

Operating Costs. Operating costs increased $0.8 million, or 2%, to $34.1 million for the year ended December 31, 2022, compared to $33.3 million in the prior year period. This change was primarily due to a $2.3 million increase related to the write off of costs for concepts that did not proceed to completion in 2022, without similar activity in 2021, a $1.1 million increase in operating costs related to the opening of the Tin Building in the third quarter of 2022, and a $1.0 million increase in ground rent expense related to the execution of an amendment to the Seaport neighborhood ground lease at the end of 2021, partially offset by a $3.9 million decrease related to planning and concept development costs for Tin Building incurred in 2021, without similar costs in 2022.

Provision for (recovery of) Doubtful Accounts. Provision for doubtful accounts increased to $1.1 million for the year ended December 31, 2022, compared to an immaterial amount in the prior-year period, primarily due to the recognition of a tenant reserve at Fulton Market Building in 2022, with no similar activity in 2021.

Other Income, Net. Other income, net increased $0.5 million to $0.5 million for the year ended December 31, 2022, compared to $7 thousand in the prior-year period, primarily due to the receipt of insurance reimbursements in 2022, with no similar activity in 2021.

Non-GAAP Measure

Landlord Operations Net Operating Income

Refer to the Non-GAAP Measure discussion above for additional information and disclosure on the usefulness, relevance, limitations, and calculation of Landlord Operations Net Operating Income. A reconciliation of Landlord Operations Adjusted EBITDA to Landlord Operations NOI is presented in the table below.

Reconciliation of Landlord Operations Adjusted EBITDA to Landlord Operations NOI:

Landlord Operations NOI	**Year Ended December 31,**		**Change**	
thousands except percentages	**2022**	**2021**	**$**	**%**
Landlord Operations Adjusted EBITDA	$ (13,978)	$ (22,339)	$ 8,361	37 %
Adjustments:				
Impact of straight-line rent	961	2,089	(1,128)	(54) %
Other	2,404	(7)	2,411	NM[1]
Landlord Operations NOI	**$ (10,613)**	**$ (20,257)**	**$ 9,644**	**48 %**

1 Not Meaningful

Landlord Operations NOI losses decreased $9.6 million compared to the prior-year period, primarily due to increased rental revenue related to the reversal of a COVID-19 related tenant reserve at the Fulton Market in 2022 and the completion and commencement of the tenant lease at the Tin Building in the third quarter of 2022, partially offset by a decrease in other revenue due to the absence of parking lot revenue at 250 Water Street after the start of initial foundation and voluntary site remediation work in the second quarter of 2022, and an increase in the provision for doubtful accounts due to the recognition of a tenant reserve at Fulton Market Building in 2022.

Hospitality

Segment Adjusted EBITDA

The following table presents segment Adjusted EBITDA for Hospitality:

Hospitality Adjusted EBITDA	**Year Ended March 31,**		**Change**	
thousands except percentages	**2022**	**2021**	**$**	**%**
Hospitality revenue	$ 42,565	$ 29,632	$ 12,933	44 %
Other revenue	15	581	(566)	(97) %
Total revenues	42,580	30,213	12,367	41 %
Hospitality costs	(38,037)	(27,643)	(10,394)	(38) %
Operating costs	(4,893)	(3,609)	(1,284)	(36) %
Provision for doubtful accounts	(165)	(72)	(93)	(129) %
Total operating expenses	(43,095)	(31,324)	(11,771)	(38) %
Other income, net	19	22	(3)	(14) %
Total expenses	(43,076)	(31,302)	(11,774)	(38) %
Adjusted EBITDA	**$ (496)**	**$ (1,089)**	**$ 593**	**54 %**

Hospitality Adjusted EBITDA loss decreased $0.6 million compared to the prior-year period primarily due to the following:

Hospitality Revenue. Hospitality revenue increased $12.9 million, or 44%, to $42.5 million for the year ended December 31, 2022, compared to $29.6 million in the prior-year period. The increase in Hospitality revenue is primarily due to improved restaurant performance as all Seaport restaurants were operating full capacity in 2022,

benefiting from increased foot traffic and more events when compared to 2021, which was still impacted by limited operations because of the COVID-19 pandemic. Hospitality revenue increased $6.6 million at Malibu Farms, The Fulton, and Garden Bar due to increased foot traffic and more restaurant buyouts and private events in 2022. Additionally, the opening of Carne Mare at the end of the second quarter of 2021, resulted in a $4.8 million increase in revenue, and a redesign of the Pearl Alley concept in 2022, resulted in a $3.1 million increase in revenue. These increases were partially offset by a $2.0 million decrease related to The Greens concept, which included summer mini-lawn spaces and winter cabins activated in 2021 as a socially distanced dining option, with no similar activation in 2022.

Other Revenue. Other revenue decreased $0.6 million, or 97%, to $15 thousand for the year ended December 31, 2022, compared to $0.6 million in the prior-year period. This change was primarily due to a decrease in merchandise revenue as a result of the closure of a retail storefront in the beginning of 2022.

Hospitality Costs. Hospitality costs increased $10.4 million, or 38%, to $38.0 million for the year ended December 31, 2022, compared to $27.6 million in the prior-year period, primarily due to increases in variable costs such as food and beverage costs, labor costs, and variable management fees, which are generally in line with the increase in Hospitality revenue.

Operating Costs. Operating costs increased $1.3 million, or 36%, to $4.9 million for the year ended December 31, 2022, compared to $3.6 million in the prior-year period, primarily due to a $1.0 million increase in state business taxes and a $0.3 million increase in insurance costs.

Sponsorships, Events, and Entertainment

Segment Adjusted EBITDA

The following table presents segment Adjusted EBITDA for Sponsorships, Events, and Entertainment:

Sponsorships, Events, and Entertainment Adjusted EBITDA	**Year Ended December 31,**		**Change**	
thousands except percentages	**2022**	**2021**	**$**	**%**
Sponsorships, events, and entertainment revenue	$ 55,724	$ 41,504	$ 14,220	34 %
Total revenues	55,724	41,504	14,220	34 %
Sponsorships, events, and entertainment costs	(38,764)	(29,260)	(9,504)	(32) %
Operating costs	(5,068)	(4,994)	(74)	(1) %
Provision for doubtful accounts	(157)	(107)	(50)	(47) %
Total operating expenses	(43,989)	(34,361)	(9,628)	(28) %
Other income, net	459	169	290	172 %
Total expenses	(43,530)	(34,192)	(9,338)	(27) %
Adjusted EBITDA	**$ 12,194**	**$ 7,312**	**$ 4,882**	**67 %**

Sponsorships, Events, and Entertainment Adjusted EBITDA income increased $4.9 million compared to the prior-year period primarily due to the following:

Sponsorships, Events, and Entertainment Revenue. Sponsorships, events, and entertainment revenue increased $14.2 million, or 34%, to $55.7 million for the year ended December 31, 2022, compared to $41.5 million in the prior-year period. Although both the Seaport concert series and the Aviators baseball seasons resumed in 2021, the Seaport hosted 60 concerts in 2022, compared to 30 in 2021, and the Las Vegas Ballpark hosted 75 games in 2022, compared to 65 in 2021. As a result, revenue increased $6.8 million due to increased Seaport concert ticket sales and $2.0 million due to increased Aviators baseball and special event ticket sales. The increased activity at these locations also resulted in a $3.3 million increase in concert and event concessions revenue at the Seaport and a $0.4 million increase in concession sales at the Las Vegas Ballpark. There was also a $0.7 million increase in private event revenue at the Seaport and a $0.5 million increase in sponsorship revenue at the Las Vegas Ballpark.

Sponsorships, Events, and Entertainment Costs. Sponsorships, events, and entertainment costs increased $9.5 million, or 32%, to $38.8 million for the year ended December 31, 2022, compared to $29.3 million in the prior year period. This change was primarily due to a $6.9 million increase in variable costs at the Seaport that are generally in line with the increased concert and event revenue mentioned above, including artist fees, production and promoter costs, security and labor costs, and various other event related costs. In addition, there was a $2.7 million increase in costs associated with the Aviators baseball season and special events at the Las Vegas Ballpark which are generally in line with the increase in Aviators baseball and special event ticket sales mentioned above, primarily due to increases in labor costs, concessions costs, sponsorships costs, and other various event related costs.

Other Income, Net. Other income, net increased $0.3 million, to $0.5 million for the year ended December 31, 2022, compared to $0.2 million in the prior-year period, primarily due to the receipt of insurance reimbursements in 2022, with no similar activity in 2021.

Liquidity and Capital Resources

We have historically operated as a division within HHH's consolidated structure, which uses a centralized approach to cash management and financing of our operations. This arrangement is not reflective of the manner in which we would have financed our operations had we been an independent, publicly traded company during the periods presented. The cash and cash equivalents held by HHH at the corporate level are not specifically identifiable to us and, therefore, have not been reflected in our Combined Financial Statements and Unaudited Condensed Combined Financial Statements. As of March 31, 2024, December 31, 2023, and December 31, 2022, our cash and cash equivalents were $2.0 million, $1.8 million, and $16.4 million, respectively. As of March 31, 2024, December 31, 2023, and December 31, 2022, our restricted cash was $42.2 million, $42.0 million, and $50.3 million. Restricted cash is segregated in escrow accounts related to development activity at 250 Water Street and other amounts related to payment of principal and interest on the Company's outstanding mortgages payable.

HHH's third-party long-term debt and the related interest expense have not been allocated to us for any of the periods presented as we are not the legal obligor nor are we a guarantor of such debt. As of March 31, 2024, December 31, 2023, and December 31, 2022, we have third-party mortgages payable of $155.8 million, $155.6 million, and $144.2 million, respectively, related to our 250 Water Street development and the Las Vegas Ballpark. As of March 31, 2024, December 31, 2023, and December 31, 2022, the Company's secured mortgage loans did not have any undrawn lender commitment available to be drawn for property development.

Following the separation and distribution, our capital structure and sources of liquidity will change from our historical capital structure because HHH will no longer finance our operations, investments in joint ventures, and development and redevelopment projects. Our development and redevelopment opportunities are capital intensive and will require significant additional funding, if and when pursued. Our ability to fund our operating needs and development and redevelopment projects will depend on our future ability to continue to manage cash flow from operating activities, and on our ability to obtain debt or equity financing on acceptable terms. In addition, we typically must provide completion guarantees to lenders in connection with their financing for our development and redevelopment projects. Management believes that our existing cash balances, restricted cash balances, funds provided by HHH prior to the separation and distribution, along with expected borrowing capacity and access to capital markets, and the proceeds of our anticipated Rights Offering and the related potential backstop commitment as described under "—Expected Financings" below, taken as a whole, provide (i) adequate liquidity to meet all of our current and long-term obligations when due, including our third-party mortgages payable, and (ii) adequate liquidity to fund capital expenditures and development and redevelopment projects. However, our access to, and the availability of, financing on acceptable terms and conditions in the future will be impacted by many factors, including (1) our credit ratings, including the lowering of any of our credit ratings, or absence of a credit rating, (2) the liquidity of the overall capital markets, and (3) the current state of the economy and, accordingly, there can be no assurances that we will be able to obtain additional debt or equity financing on acceptable terms in the future, or at all, which could have a negative impact on our liquidity and capital resources. The cash flows presented in our Combined Statements of Cash Flows and Unaudited Condensed Combined Statement of Cash Flows may not be indicative of the cash flows we would have recognized had we operated as a standalone publicly traded company for the periods presented.

Prior to the distribution, HHH will contribute additional cash to the Company in order to fund its operations until a permanent capital structure is finalized. However, we do not expect HHH to have an ongoing long-term relationship with the Company and HHH will not have any ongoing financial commitments to the Company.

Expected Financings

Seaport Entertainment expects to conduct a $175 million Rights Offering following the distribution. In connection with the Rights Offering, the Company is in serious discussions with Pershing Square, which through investment funds advised by it is HHH's largest shareholder, a potential backstop agreement which would be entered into prior to the distribution. Pursuant to that agreement, if finalized, Pershing Square would agree to (i) exercise its pro rata subscription right with respect to the Rights Offering at a price of $25 per share of the Company's common stock and (ii) purchase any shares not purchased upon the expiration of the Rights Offering at the Rights Offering price, up to $175 million in the aggregate. The backstop agreement could result in Pershing Square's affiliated funds owning as much as % of the Company's common stock if no other stockholders participate in the Rights Offering. Any capital raised through the Rights Offering would further strengthen the Company's balance sheet. With over $ million of liquidity, primarily consisting of (i) $23.4 million of cash contributed by HHH pursuant to the Separation Agreement, (ii) expected proceeds from the anticipated Rights Offering and (iii) amounts available under the Revolving Credit Agreement, we believe we will have ample capital to support the existing business and facilitate the Company's business plan.

Cash Flows

Three Months Ended March 31, 2024 and 2023

The following table sets forth a summary of our cash flows:

	Three Months Ended March 31,	
thousands	**2024**	**2023**
Cash used in operating activities	$ (18,796)	$ (8,184)
Cash used in investing activities	(28,578)	(27,057)
Cash provided by financing activities	47,659	22,242

Operating Activities

Cash used in operating activities increased $10.6 million to $18.8 million in the three months ended March 31, 2024, compared to $8.2 million in the prior-year period. The increase in cash used in operating activities was primarily due to increased costs incurred in the first quarter of 2024 related to the planned separation from HHH, with no similar activity in the prior-year period.

While we have historically used cash in operating activities, we expect that the additional liquidity provided by our expected financings will provide sufficient capital to fund operations until such time that we may generated cash from operating activities. Refer to "Expected Financings" above for additional explanation.

Investing Activities

Cash used in investing activities consists primarily of capital expenditures on operating and development properties and investments in or funding provided to our unconsolidated ventures. Cash used in investing activities was $28.6 million in the three months ended March 31, 2024, compared to $27.1 million in the three months ended March 31, 2023. In the three months ended March 31, 2024, the cash used in investing activities was primarily related to property development costs related to 250 Water Street, and funding of operating costs related to the Tin Building by Jean-Georges joint venture and the Lawn Club joint venture. In the three months ended March 31, 2023, the cash used in investing activities was primarily related to property development costs related to 250 Water Street, and funding of operating costs related to the Tin Building by Jean-Georges joint venture.

Financing Activities

Cash flow provided by financing activities consists of net transfers provided by Parent in the three months ended March 31, 2024 and 2023. Cash provided by financing activities was $47.7 million in the three months ended March 31, 2024, compared to $22.2 million in in the three months ended March 31, 2023. The increase in cash provided by financing activities was primarily due to an increase in the net transfers provided by Parent. The increase in net transfers provided by Parent in the three months ended March 31, 2024 was primarily due to the increase in funds needed to carry out the operating and investing activities explained above.

Years Ended December 31, 2023, 2022, and 2021

The following table sets forth a summary of our cash flows:

	Year Ended December 31,		
thousands	**2023**	**2022**	**2021**
Cash used in operating activities	$ (50,780)	$ (29,551)	$ (35,812)
Cash used in investing activities	(108,302)	(198,032)	(103,135)
Cash provided by financing activities	136,214	237,412	184,175

Operating Activities

Cash used in operating activities increased $21.2 million to $50.8 million in 2023, compared to $29.6 million in the prior-year period. The increase in cash used in operating activities was primarily due to a $13.8 million security deposit payment related to the refinancing of the mortgage payable for 250 Water Street in 2023, and an increase in cash used in operating activities at our segments. Sponsorships, Events, and Entertainment Adjusted EBITDA income decreased $4.8 million primarily due to increased labor and event costs and Hospitality Adjusted EBITDA loss increased $2.2 million primarily due to reduced restaurant performance and fewer private events. These increases in cash used were partially offset by a decrease in Landlord Operations Adjusted EBITDA losses of $4.5 million, primarily due to the collection of a full year of Tin Building rent in 2023.

Cash used in operating activities decreased $6.3 million to $29.6 million in 2022, compared to $35.8 million in the prior-year period. This decrease was primarily due to a decrease in cash used in operating activities at our segments. Sponsorships, Events, and Entertainment Adjusted EBITDA income increased $4.9 million and Landlord Operations Adjusted EBITDA increased $8.4 million primarily due to increased revenue associated with a successful concert and event season at the Seaport, successful baseball season at the Las Vegas Ballpark, and the commencement of the Tin Building by Jean-George lease. This decrease in cash used was partially offset by a $8.7 million increase in cash used associated with changes in working capital, primarily due to an increase in vendor payments.

While we have historically used cash in operating activities, we expect that the additional liquidity provided by our expected financings will provide sufficient capital to fund operations until such time that we may generated cash from operating activities. Refer to “Expected Financings” above for additional explanation.

Investing Activities

Cash used in investing activities consists primarily of capital expenditures on operating and development properties and investments in or funding provided to our unconsolidated ventures. Cash used in investing activities of $108.3 million in 2023, was primarily related to property development costs related to 250 Water Street, and funding of operating costs related to the Tin Building by Jean-Georges joint venture.

Cash used in investing activities of $198.0 million in 2022, was primarily related to property development costs for the Tin Building, which was completed in the third quarter of 2022, funding of start-up and operating costs related to the Tin Building by Jean-Georges joint venture, and the Company’s initial investment in the Jean-Georges Restaurants joint venture.

Cash used in investing activities of $103.1 million in 2021, was primarily related to property development costs related to 250 Water Street and the Tin Building.

Financing Activities

Cash flow provided by financing activities consists of net transfers provided by Parent and proceeds on mortgage payables, partially offset by principal payments on mortgages payable and payment of deferred financing costs.

Cash provided by financing activities was $136.2 million in 2023, compared to $237.4 million in 2022. The decrease in cash provided by financing activities was primarily due to a decrease in the net transfers provided by Parent, partially offset by the impact of the cash provided by the refinancing of mortgage payable related to 250 Water Street during fiscal year 2023. The decrease in net transfers provided by Parent in 2023 was primarily due to the decrease in funds needed to carry out the operating and investing activities explained above.

Cash provided by financing activities was $237.4 million in 2022, compared to $184.2 million in 2021. The increase in cash provided by financing activities was primarily due to an increase in the net transfers provided by Parent to fund the operating and investing activities explained above.

Contractual Obligations

We have material contractual obligations that arise in the normal course of business. These contractual obligations may not be representative of our future contractual obligations profile as an independent, publicly traded company. Our contractual obligations do not reflect changes that we expect to experience in the future as a result of the separation and distribution, such as contractual arrangements that we may enter into in the future that were historically entered into by the HHH for shared services.

We have outstanding mortgages payable related to the 250 Water Street development and Las Vegas Ballpark, which are collateralized by certain of the Company's real estate assets. A summary of our mortgages payable as of March 31, 2024 can be found in Note 5 – Mortgages Payable, Net in the Notes to Unaudited Condensed Combined Financial Statements and a summary of our mortgages payable as of December 31, 2023, and 2022 can be found in Note 6 – Mortgages Payable, Net in the Notes to Combined Financial Statements, included in this information statement.

We lease land or buildings at certain properties from third parties. Rental payments are expensed as incurred and have been, to the extent applicable, straight-lined over the term of the lease. Contractual rental expense was $2.1 million during the three months ended March 31, 2024, and $2.1 million during the three months ended March 31, 2023. The amortization of straight-line rents included in the contractual rent amount was $0.6 million during the three months ended March 31, 2024, and $0.7 million during the three months ended March 31, 2023. A summary of our lease obligations as of March 31, 2024, can be found in Note 10 – Leases in the Notes to Unaudited Condensed Combined Financial Statements included in this information statement. Contractual rental expense was $6.7 million, $6.5 million and $5.5 million for the years ended December 31, 2023, 2022, and 2021 respectively. The amortization of straight-line rents included in the contractual rent amount was $2.5 million, $2.5 million and $1.7 million for the years ended December 31, 2023, 2022, and 2021 respectively. A summary of our lease obligations as of December 31, 2023, can be found in Note 12 – Leases in the Notes to Combined Financial Statements included in this information statement.

Critical Accounting Estimates

The preparation of financial statements in accordance with GAAP requires management to make informed judgments, assumptions and estimates that affect the reported amounts of assets, liabilities, revenues, and expenses. We base our estimates on historical experience and on various other assumptions that we believe to be reasonable under the circumstances. Changes in facts and circumstances or additional information may result in revised estimates, and actual results may differ from these estimates.

We believe that of our significant accounting policies, which are described in Note 1 – Summary of Significant Accounting Policies in the Notes to Combined Financial Statements included in this information statement, the accounting policies below involves a greater degree of judgment and complexity. Accordingly, we believe these are the most critical to understand and evaluate fully our financial condition and results of operations.

Impairments

Methodology

We review our long-lived assets for potential impairment indicators whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Although the carrying amount may exceed the estimated fair value of certain properties, a real estate asset is only considered to be impaired when its carrying amount is not expected to be recovered through estimated future undiscounted cash flows. To the extent an impairment provision is necessary, the excess of the carrying amount of the asset over its estimated fair value is expensed to operations and the carrying amount of the asset is reduced. The adjusted carrying amount, which represents the new cost basis of the asset, is depreciated over the remaining useful life of the asset.

Judgments and Uncertainties

An impairment loss is recognized if the carrying amount of an asset is not recoverable and exceeds its fair value. The cash flow estimates used both for determining recoverability and estimating fair value are inherently judgmental and reflect current and projected trends in rental, occupancy, pricing, development costs, sales pace and capitalization rates, selling costs, and estimated holding periods for the applicable assets. As such, the evaluation of anticipated cash flows is highly subjective and is based in part on assumptions that could differ materially from actual results in future periods. Unfavorable changes in any of the primary assumptions could result in a reduction of anticipated future cash flows and could indicate property impairment. Uncertainties related to the primary assumptions could affect the timing of an impairment. While we believe our assumptions are reasonable, changes in these assumptions may have a material impact on our financial results.

Variable Interest Entities

Methodology

Our combined financial statements include all of our accounts, including our majority owned and controlled subsidiaries and VIEs for which we are the primary beneficiary. The Company was not the primary beneficiary of any VIE's during the three months ended March 31, 2024, or during 2023, 2022, and 2021 and, therefore, the Company does not consolidate any VIE's in which it holds a variable interest.

Judgments and Uncertainties

The Company determines whether it is the primary beneficiary of a VIE upon initial involvement with a VIE and reassesses whether it is the primary beneficiary of a VIE on an ongoing basis. The determination of whether an entity is a VIE and whether the Company is the primary beneficiary of a VIE is based upon facts and circumstances for the VIE and requires significant judgments such as whether the entity is a VIE, whether the Company's interest in a VIE is a variable interest, the determination of the activities that most significantly impact the economic performance of the entity, whether the Company controls those activities, and whether the Company has the obligation to absorb losses of the VIE or the right to receive benefits from the VIE that could be significant to the VIE.

As of March 31, 2024 and December 31, 2023, the Company has a variable interest in Tin Building by Jean-Georges only. During the third quarter of 2023, the Ssäm Bar restaurant closed, and the Company and Momofuku are in the process of dissolving the venture. Additionally, the Company recognized an impairment of $5.0 million related to this investment in the year ended December 31, 2023. See Note 3 - Impairment in the Notes to Combined Financial Statements included in this information statement for additional detail. As of December 31, 2022, the Company has a variable interest in two VIE's, Ssäm Bar and Tin Building by Jean-Georges. However, the Company determined that it is not the primary beneficiary of the VIE's in both the years as the Company does not have the

power to direct the activities of the VIE's that most significantly impact the VIE's economic performance. Therefore, the Company accounts for its investment in the VIE's in accordance with the equity method in 2023 and 2022.

Investments in Unconsolidated Ventures

Methodology

The Company's investments in unconsolidated ventures are accounted for under the equity method to the extent that, based on contractual rights associated with the investments, the Company can exert significant influence over a venture's operations. Under the equity method, the Company's investment in the venture is recorded at cost and is subsequently adjusted to recognize the Company's allocable share of the earnings or losses of the venture. Dividends and distributions received by the business are recognized as a reduction in the carrying amount of the investment.

The Company evaluates its equity method investments for significance in accordance with Regulation S-X, Rule 3-09 and Regulation S-X, Rule 4-08(g) and presents separate annual financial statements or summarized financial information, respectively, as required by those rules. The Company is required to file audited financial statements of the Fulton Seafood Market, LLC for the year ended December 31, 2022. The Company's investment in the Fulton Seafood Market, LLC does not meet the threshold necessary for disclosure of audited financial statements in 2023, however for comparability, audited financial statements of Fulton Seafood Market, LLC for the years ended December 31, 2023, and 2022 are included in this information statement. Financial statements of Fulton Seafood Market, LLC for the year ended December 31, 2021 are not included in this information statement as Fulton Seafood Market, LLC had no activity prior to 2022.

For investments in ventures where the Company has virtually no influence over operations and the investments do not have a readily determinable fair value, the business has elected the measurement alternative to carry the securities at cost less impairment, if any, plus or minus changes resulting from observable price changes in orderly transactions for the identical or similar investment of the issuer.

Judgments and Uncertainties

Generally, joint venture operating agreements provide that assets, liabilities, funding obligations, profits and losses, and cash flows are shared in accordance with ownership percentages. For certain equity method investments, various provisions in the joint venture operating agreements regarding distributions of cash flow based on capital account balances, allocations of profits and losses and preferred returns may result in the Company's economic interest differing from its stated ownership or if applicable, the Company's final profit-sharing interest after receipt of any preferred returns based on the venture's distribution priorities. For these investments, the Company recognizes income or loss based on the joint venture's distribution priorities, which could fluctuate over time and may be different from its stated ownership or final profit-sharing percentage.

Capitalization of Development Costs

Methodology

Development costs, which primarily include direct costs related to placing the asset in service associated with specific development properties, are capitalized as part of the property being developed. Construction and improvement costs incurred in connection with the development of new properties, or the redevelopment of existing properties are capitalized before they are placed into service. Costs include planning, engineering, design, direct material, labor and subcontract costs. Real estate taxes, utilities, direct legal and professional fees related to the sale of a specific unit, interest, insurance costs and certain employee costs incurred during construction periods are also capitalized. Capitalization commences when the development activities begin and cease when a project is completed, put on hold or at the date that the Company decides not to move forward with a project. Capitalized costs related to a project where the Company has determined not to move forward are expensed if they are not deemed recoverable. Capitalized interest costs are based on qualified expenditures and interest rates in place during the construction period. Demolition costs associated with redevelopments are expensed as incurred unless the

demolition was included in the Company's development plans and imminent as of the acquisition date of an asset. Once the assets are placed into service, they are depreciated in accordance with the Company's policy. In the event that management no longer has the ability or intent to complete a development, the costs previously capitalized are evaluated for impairment.

Judgments and Uncertainties

The capitalization of development costs requires judgment, and can directly and materially impact our results of operations because, for example, (i) if we don't capitalize costs that should be capitalized, then our operating expenses would be overstated during the development period, and the subsequent depreciation of the developed real estate would be understated, or (ii) if we capitalize costs that should not be capitalized, then our operating expenses would be understated during the development period, and the subsequent depreciation of the real estate would be overstated. For the three months ended March 31, 2024 and 2023, we capitalized development costs of $2.4 million and $10.9 million, respectively. We capitalized development costs of $47.4 million, $73.3 million, and $94.5 million during the years ended December 31, 2023, 2022, and 2021, respectively.

Quantitative and Qualitative Disclosures About Market Risk

Interest Rate Risk

We are subject to interest rate risk with respect to our variable-rate mortgage payable as increases in interest rates would cause our payments to increase. With respect to our fixed-rate mortgage payable, increases in interest rates could make it more difficult to refinance such debt when it becomes due.

For additional information concerning our debt and management's estimation process to arrive at a fair value of our debt as required by GAAP, please refer to the Liquidity and Capital Resources section above in Management's Discussion and Analysis of Financial Condition and Results of Operations and Note 6 – Mortgages Payable, Net in the Notes to Combined Financial Statements included in this information statement.

The following table summarizes principal cash flows on our debt obligations and related weighted-average interest rates by expected maturity dates as of December 31, 2023:

	Contractual Maturity Date						
thousands except percentages	**2024**	**2025**	**2026**	**2027**	**2028**	**Thereafter**	**Total**
Mortgages payable, net	$ 1,903	$ 1,997	$ 117,097	$ 2,201	$ 2,311	$ 32,481	$ 157,990
Weighted-average interest rate	7.54 %	6.60 %	6.41 %	4.92 %	4.92 %	4.92 %	

BUSINESS

Our Company

Seaport Entertainment was formed to own, operate and develop a unique collection of assets positioned at the intersection of entertainment and real estate. Our objective is to integrate our one-of-a-kind real estate assets with a variety of restaurant, retail and leisure offerings to form vibrant mixed-use destinations where our customers can work, play and socialize in one cohesive setting. To achieve this objective, we are focused on delivering best-in-class experiences for our surrounding residents, customers and tenants across the three operating segments of our business: (1) Landlord Operations; (2) Hospitality; and (3) Sponsorships, Events, and Entertainment. Our assets, which are primarily concentrated in New York City and Las Vegas, include the Seaport in Lower Manhattan, a 25% minority interest in Jean-Georges Restaurants as well as other partnerships, the Las Vegas Aviators Triple-A baseball team and the Las Vegas Ballpark and an interest in and to 80% of the air rights above the Fashion Show mall in Las Vegas. We believe the uniqueness of our assets, the customer-centric focus of our business and the ability to replicate our destinations in other locations collectively present an attractive investment opportunity in thematically similar but differentiated businesses, all of which are positioned to grow over time.

The Seaport is a historic neighborhood in Lower Manhattan on the banks of the East River and within walking distance of the Brooklyn Bridge. With roots dating back to the 1600s and a strategic location in Lower Manhattan, the Seaport attracts millions of visitors every year. The Seaport spans over 478,000 square feet, the majority of which is dedicated to entertainment, retail and restaurant uses, and in 2023, the Seaport hosted over 200 public and private events. Among the highlights of the Seaport are: The Rooftop at Pier 17®, a 3,500-person concert venue; the Tin Building, a 54,000-square-foot culinary marketplace leased to an unconsolidated joint venture between us and a subsidiary of JG; the Lawn Club, an immersive indoor/outdoor lawn game entertainment venue and another of our unconsolidated joint ventures; a historic cobblestone retail district; six additional retail and food and beverages concepts, four of which are unique to the Seaport; and a 21-unit residential building with approximately 5,500 square feet of ground floor space. In addition, the Company owns 250 Water Street, a one-acre development site directly adjacent to the Seaport, approved for 547,000 zoning square feet of market rate and affordable housing, office, retail and community-oriented gathering space. We are in the process of further transforming the Seaport from a collection of unique assets into a cohesive and vibrant neighborhood that caters to the broad needs of its residents and visitors. By continuing this integration, we believe we can drive further consumer penetration across all our restaurant, retail and event offerings, and make the Seaport our model for potential future mixed-use opportunities.

Jean-Georges Restaurants is a world-renowned hospitality company operated by Michelin-star chef Jean-Georges Vongerichten. JG was formed in 1997 and has grown from 17 locations in 2013 to over 43 high-end restaurant concepts across five continents, 13 countries and 24 markets, including our joint venture tenant, the Tin Building by Jean-Georges, located in the heart of the Seaport. JG's expertise and versatility allow it to serve the culinary needs of its customers. With an asset-light platform and highly regarded brand recognition, JG is able to enter new markets and provide customers with a range of culinary options, from high-end restaurants to fast casual concepts to high-quality wholesale products. We believe there is an opportunity for JG's food and beverage offerings to anchor the destinations we are seeking to create and help differentiate our business from the typical asset mix found in traditional real estate development and landlord operations.

The Las Vegas Aviators are a MiLB team and the current Triple-A affiliate of the Oakland Athletics MLB team. As the highest-grossing MiLB team, and a critical component of the Summerlin, Nevada community, we believe the Aviators are a particularly attractive aspect of our portfolio. Seaport Entertainment wholly owns the Aviators, which generate cash flows from ticket sales, concessions, merchandise and sponsorships. In addition to the team, Seaport Entertainment owns the Aviators' 10,000-person capacity ballpark, which is located in the heart of Downtown Summerlin. Completed in 2019, the ballpark is one of the newest stadiums in the minor league system and was named the "Triple-A Best of the Ballparks" by Ballpark Digest in 2019, 2021 and 2022. This renowned ballpark regularly has upwards of 7,000 fans per game and was chosen to host the Triple-A National Championship Game in 2022 and 2023. In addition to approximately 70 baseball games each year, the ballpark hosts at least 30 other special events, which provide incremental cash flow primarily during the baseball offseason. These events, which include festive holiday attractions, ballpark tours, movie nights, concerts and more, have also integrated the ballpark into the

life and culture of Summerlin. As a result, we believe we are uniquely positioned to serve the entertainment needs of this community as it expands in the coming years.

We also have the right to develop, together with an interest in and to 80% of, the air rights above the Fashion Show mall in Las Vegas, representing a unique opportunity to vertically develop a high-quality, well-located real estate asset, which may potentially include a new casino and hotel. The Fashion Show mall, located just northwest of the Sphere and south of the Wynn West project and the new Resorts World Las Vegas, and directly across the street from the Wynn Las Vegas hotel, casino and golf course, is the 25th largest mall in the country, with over 1.8 million square feet and approximately 250 retailers.

We have a history of incurring net losses, and we currently expect to experience negative operating cash flow for the foreseeable future. To facilitate the implementation of our business plan with the goal of achieving profitability, Seaport Entertainment expects to conduct a $175 million Rights Offering following the distribution. In connection with the Rights Offering, the Company is in serious discussions with Pershing Square, which through investment funds advised by it is HHH's largest shareholder, regarding a potential backstop agreement which would be entered into prior to the distribution. Entry into the backstop agreement is also expected to be a condition to the distribution. Pursuant to that agreement, if finalized, Pershing Square would agree to (i) exercise its pro rata subscription right with respect to the Rights Offering at a price of $25 per share of our common stock and (ii) purchase any shares not purchased upon the expiration of the Rights Offering at the Rights Offering price, up to $175 million in the aggregate. The backstop agreement could result in Pershing Square's affiliated funds owning as much as % of our common stock if no other stockholders participate in the Rights Offering. Any capital raised through the Rights Offering would further strengthen our balance sheet. With over $ million of liquidity, primarily consisting of (i) $23.4 million of cash contributed by HHH pursuant to the Separation Agreement, (ii) expected proceeds from the anticipated Rights Offering and (iii) amounts available under the Revolving Credit Agreement, we believe we will have ample capital to support the existing business and facilitate the Company's business plan.

Our Strategy

Seaport Entertainment's business plan is to focus on realizing value for its shareholders primarily through dedicated management of its existing assets, expansion of existing and creation of new partnerships, strategic acquisitions and completion of development projects. The Company's existing portfolio encompasses a wide range of leisure and recreational activities, including live concerts, fine dining, professional sports and high-end and experiential retail. As a result, we believe Seaport Entertainment is well-positioned to capitalize on trends across the travel, tourism and leisure industries and appeal to today's consumer who often values experiences over goods.

Create Unique Entertainment Destinations Within Sought-After Mixed-Use Commercial Hubs. Seaport Entertainment's portfolio of premier, non-commoditized and destination-focused properties caters to a wide range of consumers. We intend to drive this high-quality product offering by focusing on best-in-class experience-based tenants and partnerships, in addition to integrating sought-after events to drive foot traffic throughout our portfolio. By continuing to offer high quality food and beverage and entertainment options across our portfolio, we seek to create unique, cohesive environments that serve the various needs of our customers and offer more than just a single product or experience. By developing destinations that have multiple touchpoints with our visitors, we believe Seaport Entertainment is well-positioned to grow its revenue base over time by driving increased penetration.

Lease-Up Existing Assets at the Seaport. The portfolio of assets within Landlord Operations at the Seaport is 67% leased and 66% occupied as of March 31, 2024. Our dedicated management team is focused on leasing up the Seaport and improving occupancy levels, which we believe will drive foot traffic to the area and improve performance at the Seaport's food and beverage and entertainment assets. For example, we are evaluating the use of some of our vacant space for a variety of hospitality offerings. Additionally, we recently leased 41,515 square feet of office space to a high-end retail company for their New York headquarters.

Improve Efficiencies in our Operating Businesses. We believe the third-party managers of our operating businesses have numerous opportunities to drive efficiencies and increase margins. Through our dedicated management team, which has significant experience operating entertainment-related assets, we are focused on

maximizing our revenues and rightsizing costs. For example, we are exploring the possibility of internalizing certain of our food and beverage operations, which we believe has the potential to drive increased operational focus and efficiencies.

Expand the Jean-Georges Partnership. Our JG investment has multiple avenues for core growth that could propel this business, including: the opening of new restaurants and luxury marketplaces; introducing a franchise model for certain Jean-Georges concepts; launching fast-casual and quick service restaurant concepts that allow for significant scale; and leveraging the Jean-Georges brand via private label wholesale product distribution. Additionally, we believe we will be able to work with JG to identify additional operating efficiencies.

Leverage Events and Sponsorships to Create a Flywheel Effect at the Seaport. The Seaport's events, particularly its Rooftop Summer Concert Series, and the Seaport's year-round programs focused on kids, fitness, arts, sounds, and cinema, drive foot traffic to the entire neighborhood, which in turn creates opportunities for our restaurant and retail tenants as well as our sponsorship business. We are focused on creating a flywheel effect, where visitors who are drawn to the Seaport for an event receive targeted benefits from our sponsors and are engaged by our retail and dining options before and after that event. Our in-house marketing team is also leveraging the success of our Summer Concert Series to advertise all of the offerings at the Seaport to a growing social media following.

- *The Success of the Summer Concert Series*. When the Summer Concert Series was originally introduced in 2018, the goal was to drive foot traffic to the Seaport. Since 2018, annual ticket sales have grown from around 63,000 tickets to over 200,000 tickets, and annual revenue (including gross ticket sales, concessions and other event related revenues) has increased from $6.3 million to $18.5 million in 2023. During this time, the venue has also gained a significant social media presence, with 156,000 followers on Instagram by the end of 2023, significantly more than many competing venues that are substantially larger. The success of the Summer Concert Series has also positioned Seaport Entertainment to potentially benefit from additional opportunities in the near term, including: (1) the possibility of entering into a naming rights deal for the rooftop venue with a sponsor; (2) better terms on our ticketing services that were recently negotiated with a new ticketing provider; and (3) opportunities to host an enclosed winter concert series, which we are exploring.

Improve and Increase Special Event Offerings at the Las Vegas Ballpark. The Las Vegas Ballpark is a key feature of Summerlin, Nevada, a thriving community outside of Las Vegas. By improving and increasing the special events offerings at the ballpark, we plan to further integrate the venue into the daily lives of Summerlin's residents. The ballpark currently hosts approximately 70 baseball games, with 65 in 2021 and 75 in both 2023 and 2022. While preparing the stadium and field for baseball season does require approximately one month, there is significant room for special events through the rest of the year. We are required to host at least 30 "special events" each year pursuant to our naming rights agreement with the LVCVA. In 2021 and 2022, we hosted 120 and 115 special events, generating approximately $940,000 and $2.8 million in revenue, respectively. In 2023, although we only hosted 78 special events, these events generated approximately $5.7 million in revenue. We plan to continue to seek opportunities to improve our existing events and identify more impactful revenue generating events that engage and entertain the community.

Opportunistically Acquire Attractive Entertainment-Related Assets and Utilize Strategic Partnerships. Over time, we intend to evaluate and ultimately acquire additional entertainment-related real estate and operating assets. These assets may include but are not limited to stadiums, sports and gaming attractions, concert and entertainment venues, food halls and other restaurant concepts. In addition to acquisitions, we plan to utilize strategic partnerships to accelerate our long-term growth. To execute on this strategy, we intend to leverage our unique experience at the Seaport, where we already successfully work with an array of top-tier partners in the entertainment space.

Develop Owned Land Parcels and the Fashion Show Mall Air Rights. Seaport Entertainment currently has two sizeable development opportunities: 250 Water Street and the Fashion Show Mall Air Rights. Each opportunity, if transacted on, could represent a significant driver of long-term growth.

Competitive Strengths

Unique Focus on the Intersection of Entertainment and Real Estate to Create Inclusive, Consumer-Centric Destinations. Seaport Entertainment will be one of the few publicly traded companies focused on the intersection of entertainment and real estate. Unlike real estate investment trusts, which have limitations on their ability to invest in non-real estate assets, Seaport Entertainment will have flexibility to invest in both real estate as well as entertainment-focused operating assets. We intend to create communities and experience-driven neighborhoods as opposed to standalone assets. As a result, our focus on the social needs of our customers and providing an array of food, entertainment and leisure options to keep them engaged distinguishes our business from traditional real estate development and landlord operations.

High-Quality Portfolio in High-Barrier to Entry, Top-Tier Destinations. Seaport Entertainment's portfolio consists of unique, high-quality assets that were acquired and developed over many years to create a one-of-a-kind portfolio. As a result, there is a high barrier to replicating Seaport Entertainment's business. The quality of the assets is complimented by the desirability of their locations: primarily Lower Manhattan and Las Vegas, where there are substantial barriers to entry.

New York City is the largest city by population in the United States, and one of the densest cities in the country, with over 8.3 million residents and nearly 28,000 people per square mile as of May 2024, according to S&P Global data. New York City also has a thriving tourism industry, highlighted by the 66.6 million tourists who visited New York City in 2019 prior to the onset of the COVID-19 pandemic, according to New York City Tourism + Conventions, which also reported that, in 2023, New York City's tourism industry generated $74 billion in economic impact, with visitors spending over $48 billion. While the pandemic caused the number of visitors to temporarily fall, New York City's tourism industry has proven to be resilient. In 2023, 62.2 million people visited New York City, which is projected to grow to 64.5 million tourists in 2024, according to estimates by New York City Tourism + Conventions. In addition, we believe that 2026 will be a significant year for New York City tourism, which is expected to benefit from FIFA World Cup 26—with eight matches, including the World Cup Final, set to be played nearby at the Meadowlands in New Jersey—and the United States Semiquincentennial celebration.

Las Vegas is the largest city in Nevada, with over 650,000 residents as of May 2024, according to S&P Global data. Summerlin is located in the broader Las Vegas Metropolitan Statistical Area, which includes Henderson and Clark counties and has over 2.3 million residents as of May 2024, also according to S&P Global data. The LVCVA reported that over 40 million people visited Las Vegas in 2023, spending over $51 billion, with an economic impact of over $85 billion. Las Vegas also has a growing professional sports industry. The Vegas Golden Knights, a National Hockey League team, was established in 2017 and has their practice facility in Summerlin, adjacent to the Las Vegas Ballpark. In 2020, the Oakland Raiders, a National Football League team, moved to Las Vegas and renamed themselves the Las Vegas Raiders. In 2023, according to Forbes, the Vegas Golden Knights were the eighth highest grossing revenue team in the National Hockey League and the Las Vegas Raiders were the second highest grossing revenue team in the National Football League. In November 2023, MLB announced that it had approved plans for the Athletics to relocate to Las Vegas, where a new stadium would be built. According to MLB, the Athletics could begin playing at the new stadium as soon as the 2028 season. Also in November 2023, Formula 1 introduced the Las Vegas Grand Prix, and in February 2024, the city hosted Super Bowl LVIII. The Las Vegas Grand Prix will take place again in November 2024, and Formula 1 is contracted to continue events in Las Vegas through 2032. Additionally, the city will host multiple conferences and concerts, WWE's WrestleMania 41, the 2026 NCAA Division I Men's Ice Hockey Championship and the 2028 NCAA Division I Men's Basketball Final Four.

Based on HHH management's estimates, Summerlin, which is the location of the Las Vegas Ballpark, was home to approximately 127,000 residents as of December 31, 2023 and is expected to grow to approximately 200,000 residents over the next two decades. With a predominately local fan base, we believe this anticipated significant population growth will be a major driver of sales growth and attendance for the Aviators. The ballpark also hosts special events and has become woven into the social fabric of the neighborhood. As a result, we are uniquely positioned to serve the entertainment needs of this community in the coming years.

Embedded Potential Upside Within Landlord Operations Segment. Our focus on increasing the occupancy of the assets in our Landlord Operations segment is expected to drive incremental upside. For example, at the Seaport, Pier 17 was 54% leased and 47% occupied as of March 31, 2024, with available space across its third and fourth floors that benefit from panoramic views of the Brooklyn skyline and the Brooklyn Bridge. Driven by a dedicated management team primarily focused on performance at this and other assets, we believe the Company has substantial internal growth prospects.

Thematically-Focused, Diversified Assets. While the focus of the Company is on entertainment, the assets encompass a wide range of leisure and recreational activities, including live concerts, fine dining, professional sports, and high-end and experiential retail. Seaport Entertainment is not limited to a particular type of entertainment asset, and as a result, it seeks to meet the needs of different customers with the flexibility to adapt to changes in consumer trends, which today favor experiences over products. Unlike traditional landlords and real estate developers, which are focused on building and leasing space, we are a customer-centric business that is responsible for filling the space that we develop, own and lease with offerings that entice and engage our visitors.

Balance Sheet Positioned to Support Business Plan. The Company expects to conduct a $175 million Rights Offering of common stock following the distribution. In connection with the Rights Offering, the Company is in serious discussions with Pershing Square, which through investment funds advised by it is HHH's largest shareholder, regarding a potential backstop agreement which would be entered into prior to the distribution. Pursuant to that agreement, if finalized, Pershing Square would agree to (i) exercise its pro rata subscription right with respect to the Rights Offering at a price of $25 per share of our common stock and (ii) purchase any shares not purchased upon the expiration of the Rights Offering at the Rights Offering price, up to $175 million in the aggregate. We have a history of net losses, with a net loss of $44.1 million for the quarter ended March 31, 2024, and net losses of $838.1 million ($128.6 million excluding an impairment charge of $672.5 million for our assets and $37.0 million for unconsolidated ventures) and $111.3 million for the years ended December 31, 2023 and 2022, respectively, and our audited financial statements for the fiscal year ended December 31, 2023 were prepared on a going concern basis. See "Risk Factors—Risks Related to Our Business and Our Industry—Although our financial statements have been prepared on a going concern basis, our independent auditors in their report accompanying our combined financial statements for the year ended December 31, 2023 believe that our recurring losses from operations and other factors have raised substantial doubt about our ability to continue as a going concern as of December 31, 2023." for additional information. We currently expect to experience negative operating cash flow for the foreseeable future as we implement our business plan to achieve profitability. However, we believe the Company's cash balance following the contribution of $23.4 million of cash by HHH pursuant to the Separation Agreement and the capital raised from the Rights Offering, along with amounts available under the Revolving Credit Agreement, will be sufficient to meet our working capital and capital expenditure needs for the next twelve months and will give us significant liquidity and financial flexibility to both support the existing business and facilitate the Company's business plan. While we have no specific plans to incur additional debt in the next 12 months, we preserve the option to do so in the event of appropriate circumstances.

Scalable Platform. Embedded in Seaport Entertainment's assets are multiple avenues for potential growth, including through the expansion of existing partnerships and development of existing sites. More broadly, we believe the Company's focus on the intersection of entertainment and real estate is readily scalable, given the ability to pursue opportunities in leisure, tourism, hospitality, gaming, food and beverage and live entertainment spaces. We view these avenues of growth holistically, as components and levers to create broader communities that engage our visitors and provide reasons to spend more time at our locations.

- *Live Events Opportunity*. The demand for live music is strong and accelerating worldwide. According to Live Nation, in 2023, concert attendance was up 20% year-over-year, with over 145 million fans attending over 50,000 events. Fee-bearing gross transaction value was up 30% year-over-year in 2023. In the first quarter of 2024, Live Nation concert ticket sales were pacing up almost 7% compared to the same period in 2023, with over 155 million tickets sold. Social media is also fueling fan interest in attending concerts, with Live Nation reporting that, as of February 2024, approximately 90% of live music goers agreed that seeing live music content on social media makes them want to attend shows. Seaport Entertainment's Summer Concert Series has experienced similar strong demand. In 2021, we hosted 30 concerts and sold over 84,000 tickets. In 2022, we hosted 60 shows and sold approximately 188,000 tickets, which was an

approximately 50% increase in ticket sales compared to pre-pandemic levels. In 2023, we hosted 63 shows and sold approximately 204,000 tickets, representing an 8.5% increase in sales from the prior year. Based on these metrics, Seaport Entertainment views the live event / concert space to be an attractive opportunity for strong growth.

- *Food and Dining Opportunity*. Seaport Entertainment plans to leverage the growing consumer appetite for unique restaurant experiences as a catalyst to further expand its culinary footprint. According to the U.S. Department of Agriculture, consumers spent more on food in 2022 than ever before, even after adjusting for inflation. Of the total amount spent on food, consumer purchases for food away from home, including restaurants, have accelerated since the onset of the COVID-19 pandemic. As of 2022, expenditures on food away from home accounted for 54% of total food spending, marking a stark rise from its 50% market share in 2020, according to the U.S. Department of Agriculture. According to restaurant marketing platform BentoBox's 2023 Restaurant Trend Report, in 2023, diners spent approximately 7% more on restaurants than they did in 2022. In the first quarter of 2024, our Hospitality segment generated $4.0 million in revenue, representing a 23% decrease from first quarter of 2023. Our first quarter 2024 results were impacted by poor weather conditions, as evidenced by a 45% increase in total rainfall during the peak days of Friday through Sunday. In 2023, our Hospitality segment generated $33.0 million in revenues, representing a 23% decrease from 2022, and in 2022, our Hospitality segment revenue was $42.6 million, which was a 41% increase from 2021. Our Hospitality-related period-over-period comparisons do not adjust for operational revisions to our asset strategies from period to period, such as closing restaurant concepts or redirecting operations to use space for private events and/or concerts. Furthermore, our Hospitality segment includes equity earnings from our unconsolidated joint ventures, which primarily relate to our interest in the Tin Building by Jean-Georges joint venture. Although these joint ventures generate food and beverage revenue, our share of this revenue is recognized in equity earnings and not Hospitality revenue. The Tin Building by Jean-Georges joint venture generated food and beverage revenues of $6.5 million in the first quarter of 2024, $32.4 million in 2023, and $8.2 million in 2022. Based on the trend of growing demand for food and beverage offerings and our increased focus on food and beverage programming within the Seaport neighborhood, we believe there is an attractive opportunity to both improve the performance of our Hospitality segment and grow our food and beverage offerings.

- *Sports and Gaming Opportunity*. Consumer spending toward sporting events has demonstrated tremendous strength over the last few years. According to StubHub's 2023 Year in Live Experiences Report:

  - NFL sales heading into the 2023 season were double from 2022.
  - College football sales were up almost 50% at season start.
  - NHL sales were trending nearly double last season's start.
  - NBA sales on StubHub at season start were up nearly 60%.
  - MLS sales were up over 2.5x compared to 2022.

  According to StubHub's 2024 MLB Season Preview, as of mid-March 2024, MLB ticket sales were up by over 60% compared to the same time last year. Similarly, admission prices for sporting events rose significantly in 2023. According to the Bureau of Labor Statistics, in October 2023, admission prices for sporting events increased by 25.1% year-over-year, which was the highest annualized growth rate measured by the CPI inflation gauge. In 2022 and 2023, we sold approximately 396,000 and 388,000 total tickets to Aviators games, respectively, generating revenue of approximately $9.4 million at an average ticket price of $23.88 and revenue of approximately $9.0 million at an average ticket price of $23.32, respectively. Due to the robust demand that exists for live sports and gaming events, Seaport Entertainment will look to further capitalize on new and existing opportunities within this segment of the market.

Experienced Management Team With a Proven Track Record. Seaport Entertainment's senior management team has decades of hospitality, entertainment and real estate industry expertise, significant public company experience, long-standing business relationships and an extensive track record of implementing strategies to create

world-class brands. We believe that management's significant operating experience with complex and multi-faceted hospitality and real estate assets will enable the Company to achieve a streamlined model while pursuing innovative opportunities.

- *Anton D. Nikodemus is the Chief Executive Officer of Seaport Entertainment*. Mr. Nikodemus has spent over 30 years in entertainment and hospitality, leading the development and operations of industry premier destination brands. Prior to joining Seaport Entertainment, he served as President and Chief Operating Officer of CityCenter for MGM Resorts International where he oversaw operations for The Cosmopolitan of Las Vegas, Vdara Hotel & Spa and ARIA Resort & Casino. Mr. Nikodemus notably led the creation and development of the MGM National Harbor Hotel & Casino in Maryland and the MGM Springfield in Massachusetts.

- *Matthew M. Partridge is the Chief Financial Officer of Seaport Entertainment*. Mr. Partridge has nearly 15 years of experience in real estate and hospitality across a variety of asset classes and operating models with public and private companies. Prior to joining Seaport Entertainment, Mr. Partridge was the Senior Vice President, Chief Financial Officer and Treasurer for two publicly traded real estate investment trusts, CTO Realty Growth, Inc. and Alpine Income Property Trust, Inc., where he was responsible for accounting, asset management, corporate finance and investor relations, information technology and risk management.

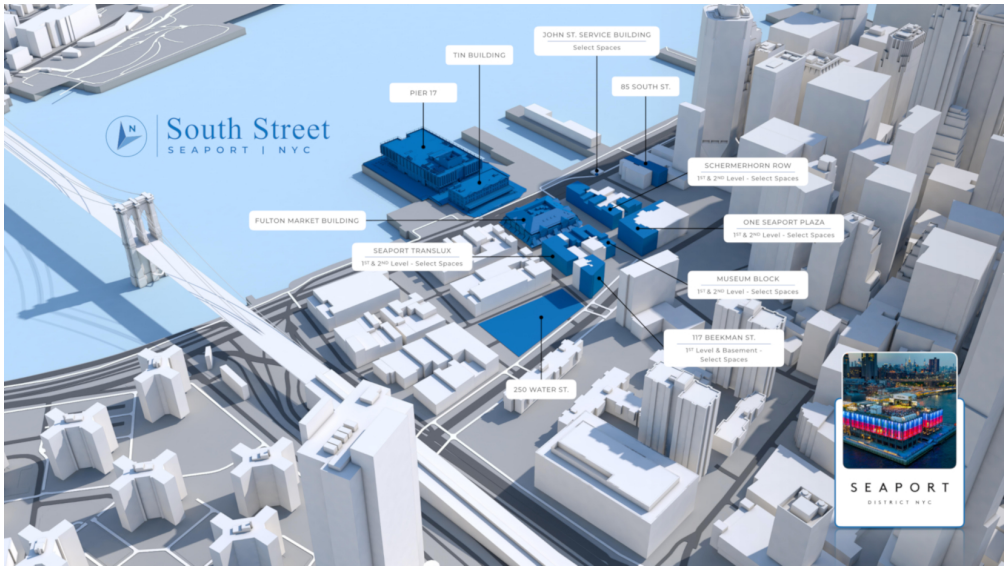
- *Lucy Fato is the General Counsel and Corporate Secretary of Seaport Entertainment*. Ms. Fato brings extensive public company experience to the Seaport management team. Prior to joining Seaport Entertainment, Ms. Fato spent approximately seven years at AIG, a global insurance company, most recently serving as Vice Chair and, before that, as General Counsel and Global Head of Communications and Government Affairs and, prior to her time at AIG, held leadership roles at McGraw-Hill Financial (now known as S&P Global) and Marsh McLennan.

Our Portfolio

We primarily analyze our portfolio of assets through the lens of our three operating segments: (1) Landlord Operations; (2) Hospitality; and (3) Sponsorships, Events, and Entertainment. In each segment, we believe there are multiple opportunities to drive operational efficiencies and value creation over time.

Landlord Operations. Landlord Operations represent our ownership interests in and operation of physical real estate assets. Currently, all Landlord Operations are located in the Seaport. The Seaport encompasses over 478,000 square feet of restaurant, retail, office and entertainment properties, as well as 21 residential units. It is one of the few multi-block neighborhoods in New York City largely under private management and was previously owned and operated by HHH since 2010. Over 13 years, HHH invested over $1 billion in the area, which we believe helped to revitalize the area and positioned it to become one of the premier food and beverage and entertainment destinations

in the city. Currently, we own 11 physical real estate assets in the Seaport that comprise 100% of our current Landlord Operations. These assets, reflected on the map below, include:



- Pier 17 – Pier 17 is a 213,000 square foot mixed-use building containing restaurants, entertainment, office space and an outdoor concert venue. The Rooftop at Pier 17 is a 3,500-person concert venue, which was voted the #1 outdoor music venue in New York City in 2022 by Red Bull and ranked by Pollstar as the fifth top club worldwide in 2023. In 2023, the Rooftop's Summer Concert Series had a record year, selling approximately 204,000 tickets over 63 shows, representing 93% of available ticket inventory. In addition to the concert venue, the building has five restaurants with renowned chefs including Jean-Georges and Andrew Carmellini, and three floors of unique space that can be utilized for retail, office and entertainment purposes.

- Tin Building – Across from Pier 17 is the Tin Building, a 54,000-square-foot culinary destination located on the site of the original Fulton Fish Market. The property opened in September 2022 after undergoing an over $200 million, five-year renovation to reconstruct the building in collaboration with Jean-Georges and is leased to our joint venture with a subsidiary of Jean-Georges. The building has three levels, offering over 20 culinary experiences, including restaurants, bars, grocery markets, retail and private dining.

- Fulton Market Building – The Fulton Market Building is a three-story, 115,000-square-foot mixed-use building. It is 100% leased to tenants like IPIC Theaters, which occupies 46,000 square feet and has a lease through 2035. In July 2022, high-end fashion brand Alexander Wang leased the entire third floor for its global fashion headquarters. The Lawn Club, an experiential retail concept focused on "classic lawn games" and superb cocktails, is one of our joint ventures and the most recent tenant, having opened in November 2023.

- Historic District Retail & Other – Seaport Entertainment is also the landlord for the following Historic District retail and other locations: Museum Block (1st and 2nd Level - Select Spaces), Schermerhorn Row (1st and 2nd Level - Select Spaces), Seaport Translux (1st and 2nd Level - Select Spaces), 117 Beekman Street (1st Level & Basement - Select Spaces), One Seaport Plaza (1st and 2nd Level - Select Spaces) and the John Street Service Building (Select Spaces), which collectively make up approximately 91,000 square feet.

- 250 Water Street – 250 Water Street is a full block, one-acre development site that is zoned for 547,000 square feet of market rate and affordable housing, office, retail and community-oriented gathering space. We believe 250 Water Street is a unique opportunity at the Seaport to redevelop this site into a vibrant mixed-use asset, provide long-term viability to the South Street Seaport Museum and deliver economic stimulus to the area. We have received all of the necessary approvals for the plans and permits to build the foundation, which we began building in the second quarter of 2022. Final remediation work on the site is complete, and we can commence construction of the new development at our discretion.

- 85 South Street – 85 South Street is an eight-story residential building with 21 apartments and approximately 5,500 square feet of ancillary office space.

The following table shows information about our Seaport assets as of March 31, 2024:

Asset	Asset Type	Ownership Type	Owned Rentable Square Feet	Rentable Units	% Occupied	% Leased
Pier 17	Mixed-Use	Owned Improvements	212,514	—	47%	54%
Fulton Market Building	Mixed-Use	Owned Improvements	114,999	—	100%	100%
Tin Building	Retail	Owned Improvements	53,783	—	100%	100%
Schermerhorn Row	Retail	Owned Improvements	28,872	—	85%	85%
One Seaport Plaza	Retail	Owned Improvements	24,518	—	12%	12%
Museum Block	Retail	Owned Improvements	23,633	—	52%	52%
Seaport Translux	Retail	Owned Improvements	9,928	—	0%	0%
117 Beekman Street	Retail	Owned Improvements	3,609	—	0%	0%
John Street Service Building	Retail	Owned Improvements	636	—	0%	0%
85 South Street	Multifamily & Office	Fee Simple	5,522	21	100%(2)	100%(2)
250 Water Street(1)	Development Site	Fee Simple	—	—	0%	0%
Total			478,014	21	66%	67%

(1) 250 Water Street is zoned for 547,000 square feet of market rate and affordable housing, office, retail and community-oriented gathering space.
(2) Occupancy and leasing figures for multifamily space. Ground floor office space is fully occupied but not leased.

Our Seaport assets primarily sit under a long-term ground lease from the City of New York that provides for an extension option that would extend its expiration from 2072 to 2120. In 2023, we paid $2.5 million in rent and fees under that ground lease and two smaller ground leases on our Seaport assets. The following table shows information about our ground leases as of December 31, 2023:

Location	Expiration	Extensions	Annual Rent Payments for the Year Ended December 31, 2023 (thousands)	Rent Escalator
Seaport Neighborhood[1]	December 2072	December 2120	$1,849	3% annually
Translux Building	December 2072	December 2120	$154[2]	3% annually
One Seaport Plaza	December 2072	N/A	$525	Adjusted every 15 years provided operating profits have been achieved; subject to caps

Note: Our 85 South Street and 250 Water Street assets are not subject to a ground lease. For the John Street Service Building, there is a separate license agreement with the New York City Department of Parks and Recreation.

(1) Ground lease for the following properties: Pier 17, the Tin Building, Schermerhorn Row, Museum Block, 117 Beekman Street and the Fulton Market Building.

(2) Includes partial rent abatement of approximately $137,000 for the year ended December 31, 2023, which is not expected to continue.

Hospitality. Hospitality represents our ownership interests in various food and beverage operating businesses. Currently, we own, either wholly or through partnerships with third parties, and operate, including under license and management agreements, six fine dining and casual dining restaurants, cocktail bars and entertainment venues (The Fulton, Mister Dips, Carne Mare, Malibu Farm, Pearl Alley and The Lawn Club), as well as our unconsolidated venture, the Tin Building by Jean-Georges, which offers over 20 culinary experiences, including restaurants, bars, grocery markets, retail and private dining. These businesses are all our tenants and pay rent to our Landlord Operations. We are exploring the possibility of internalizing food and beverage operations that are currently operating under management agreements. We also have a 25% interest in Jean-Georges Restaurants.

Jean-Georges Restaurants was founded by renowned Michelin-star chef Jean-Georges Vongerichten and operates over 40 hospitality offerings across the world. In March 2022, HHH acquired a 25% interest in Jean-Georges Restaurants for $45 million. The Tin Building by Jean-Georges was the first project completed by HHH and Jean-Georges since the minority stake acquisition, and it now plays an integral part in the Seaport's overall performance. Creative Culinary Management Company, LLC, a wholly-owned subsidiary of Jean-Georges Restaurants, provides management services for certain retail and food and beverage businesses within the Seaport.

As of March 31, 2024, Jean-Georges Restaurants had the following hospitality offerings:

Domestic

Owned Restaurants	Licensing Agreements		Management Agreements
JoJo	Mark Hotel - The Mark	Miami Beach Edition - Matador Room	Malibu Farm
Inn at Pound Ridge	Jean-Georges at Topping Rose House	Miami Beach Edition - Market at Edition	R-17
Jean-Georges Restaurant	TWA Paris Café	Miami Beach Edition - Tropicale	Pearl Alley
Perry Street	Greenwich Happy Monkey	Keswick Marigold by Jean-Georges	The Fulton
ABC Kitchen	Tangara Jean-Georges	Nashville - The Pink Hermit	Cobble & Co
ABC V	Aria - Jean-Georges Steakhouse	Nashville - Drusie & Darr	Lawn Club
ABC Cocina	Beverly Hills Waldorf Astoria - The Rooftop by JG	Philadelphia Four Seasons - Jean-Georges Sky High	Tin Building
	Prime Steakhouse	Philadelphia Four Seasons - Jean-Georges	220 Central Park South
	Dune		425 Park Ave Four Twenty Five
			425 Park Ave 425 Park Ave Amenity Floor

International

Owned Restaurants	Licensing Agreements		Management Agreements
Market Paris	The Dempsey Cookhouse and Bar	Hotel Vista Monaco La Piscine	
	JG Tokyo	Four Seasons - Doha Curiosa by Jean-Georges	
	Mercato Shanghai	W Doha Market by Jean-Georges	
	Mercato Guangzhou	W Doha Spice Market	
	Three on the Bund Jean-Georges Shanghai	La Mamounia L'Italian	
	JG Kyoto Jean-Georges at The Shinmonzen	La Mamounia L'Asiatique	
	Eden Rock Sand Bar	Palmilla - Seared	
	Jean-Georges at The Connaught	Palmilla - Suviche	
	The Connaught Grill	ABC Kitchens - London	
	Jean-Georges at The Leinster	The Waldorf Astoria Kuala Lumpur	

Descriptions of our joint venture agreements as of March 31, 2024 are as follows:

- *Jean-Georges Restaurants.* In March 2022, we acquired a 25% interest in JG for $45.0 million. JG currently has over 40 hospitality offerings and a pipeline of new concepts. Under the terms of the current operating agreement, all cash distributions and the recognition of income-producing activities are pro rata based on stated ownership interest. We have various, standard protective rights under the operating agreement, including board designation rights tied to our ownership stake in JG, certain consent rights over actions taken with respect to JG and preemptive rights and a right of first refusal to, in certain cases, acquire a greater interest in JG. Concurrent with our acquisition of the 25% interest, we entered into a warrant

agreement with Jean-Georges, pursuant to which we paid $10.0 million for the option to acquire up to an additional 20% interest in JG.

- *Tin Building by Jean-Georges*. In 2015, together with VS-Fulton Seafood Market, LLC (the "Fulton Partner"), we formed Fulton Seafood Market, LLC to operate a 53,783 square foot culinary marketplace in the historic Tin Building. The Fulton Partner is a wholly owned subsidiary of JG. Under the terms of the joint venture agreement, we contribute the cash necessary to fund pre-opening, opening and operating costs of the Tin Building. The Fulton Partner is not required to make any capital contributions. The Tin Building by Jean-Georges culinary marketplace began operations in the third quarter of 2022. We have a 65% final profit-sharing interest in Fulton Seafood Market, LLC. Various provisions in the operating agreement regarding distributions of cash flow based on capital account balances, allocations of profits and losses, and preferred returns may result in our economic interest differing from our final profit-sharing interest. Based on capital contribution and distribution provisions, we currently receive substantially all of the economic interest in the venture. However, we do not have the power to direct the restaurant-related activities that most significantly impact the venture's economic performance, nor are we the primary beneficiary, and we account for this investment in accordance with the equity method.
- *The Lawn Club*. In 2021, we formed HHC Lawn Games, LLC with The Lawn Club NYC, LLC ("Endorphin Ventures") to construct and operate an immersive indoor and outdoor restaurant that includes an extensive area of indoor grass, a stylish clubhouse bar and a wide variety of lawn games. This concept opened in the fourth quarter of 2023. Under the terms of the initial agreement, the Company funded 80% of the cost to construct the restaurant, and Endorphin Ventures contributed the remaining 20%. In October 2023, we executed an amended LLC agreement, in which we will fund 90% of any remaining capital requirements and Endorphin Ventures will contribute 10%. We have a 50% final profit-sharing interest in HHC Lawn Games, LLC, although various provisions in the operating agreement regarding distributions of cash flow based on capital account balances, allocations of profits and losses, and preferred returns may result in our economic interest differing from our final profit-sharing interest. We also entered into a lease agreement with HHC Lawn Games, LLC pursuant to which we agreed to lease 20,000 square feet of the Fulton Market Building to this venture.

Sponsorships, Events, and Entertainment. Our Sponsorships, Events, and Entertainment segment includes the Las Vegas Aviators, the Las Vegas Ballpark, the Fashion Show Mall Air Rights, Seaport events and concerts and all of our sponsorship agreements across both the Seaport and the Las Vegas Ballpark.

- *The Aviators and Las Vegas Ballpark*. The Las Vegas Aviators are a Minor League Baseball team and the Triple-A affiliate of the Athletics. The team was acquired by the Summerlin Las Vegas Baseball Club, a subsidiary of HHH, and Play Ball Owners Group in May 2013. In 2017, HHH acquired Play Ball's 50% ownership stake for $16.4 million. In addition to the team, included in Seaport Entertainment is the Aviators' 10,000-person capacity ballpark, which is located in the heart of Downtown Summerlin, approximately nine miles west of the Las Vegas Strip. We estimate that the area draws approximately 20 million visitors per year. The Aviators averaged approximately 6,800 ticket sales per game in 2023. Since its opening in 2019, the Las Vegas Ballpark, which had a gross carrying value before accumulated depreciation of $132.0 million as of March 31, 2024, has been voted the best ballpark in Triple-A baseball in three out of the last five years by Ballpark Digest. In addition to hosting baseball games, the ballpark holds various special events throughout the year. On November 16, 2023, the Athletics received unanimous approval from MLB to relocate their team from Oakland to Las Vegas, where a new stadium would be built. In 2023, the Aviators and the ballpark generated approximately $33.4 million in revenue.

The following map shows the location of the Las Vegas Ballpark in relation to certain other Las Vegas landmarks.



- *The Rooftop at Pier 17*. The Rooftop at Pier 17 has evolved into one of the premier concert venues in New York City. The venue has capacity of 3,500 seats and in 2022 and 2023 hosted 60 and 63 concerts, respectively. Located two blocks south of the Brooklyn Bridge, the unique outdoor venue was voted the #1 outdoor music venue in New York City in 2022 by Red Bull and ranked by Pollstar as the fifth top club worldwide in 2023. The venue provides an unmatched outdoor entertainment opportunity for both emerging and established musicians. In addition, given the venue's destination-like location, it has proven to be successful at hosting events year round and drives incremental revenue outside of the Summer Concert Series.

  The demand for live music at The Rooftop at Pier 17 is evident based on the success of our Summer Concert Series, which premiered in 2018, hosting 24 shows and selling over 63,000 tickets. In 2023, our Summer Concert Series sold out 47 of 63 shows and sold approximately 204,000 tickets, which represented 93% of all available tickets, generating over $12 million in gross ticket sales. The venue's success is also demonstrated by its social media following, which is one of the largest for any New York City-area arena or concert venue, despite only having a 3,500-seat capacity. As a result, we are exploring opportunities to leverage the success of our Summer Concert Series during the winter season by potentially hosting an enclosed winter concert series.

- *The Fashion Show Mall Air Rights*. The Fashion Show mall is the 25th largest mall in the country. It has a prime Las Vegas Strip location, adjacent to the Wynn and Treasure Island. The mall is owned by Brookfield Properties and features more than 250 retailers and over 30 restaurants spread across approximately two million square feet. Seaport Entertainment has an interest in and to 80% of the air rights above the mall, with Brookfield Properties having an interest in and to the remaining 20% stake. The Fashion Show Mall Air Rights are a contractual right to form a joint venture to hold an 80% managing member interest in a to-be-formed entity that would own the air rights above the Fashion Show mall, as well as the exclusive right to develop such air rights. The Fashion Show Mall Air Rights may potentially be used to develop a new casino and hotel on the Las Vegas Strip. For additional information, see "Risk Factors—Risks Related to Our Business and Our Industry—We are exposed to risks associated with the

development, redevelopment or construction of our properties, including the planned redevelopment at 250 Water Street and intended development in connection with our Fashion Show Mall Air Rights."



Seasonality

Significant portions of our business are seasonal in nature, and the periods during which our properties experience higher revenues vary from property to property, depending primarily on their location, the customer base served and potential impacts due to weather and the timing of certain holidays. For example, our Seaport business is significantly impacted by seasonality due to weather conditions, New York City tourism and other factors, with the majority of Seaport's revenue generated between May and September. In Las Vegas, we are significantly impacted by the baseball season, with a significant portion of our Sponsorship, Events, and Entertainment segment revenue generated between April and September. As a result, our total revenues tend to be higher in the second and third quarters, and our quarterly results for any one quarter or in any given fiscal year may not be indicative of results to be expected for any other quarter or year. Additionally, during periods of extreme temperatures (either hot or cold) or precipitation, we have historically experienced, and will likely continue experiencing, significant reductions in consumer traffic.

Human Capital

As of March 31, 2024, we had 82 full-time employees supporting our business, and we consider our current relationship with our employees to be good. As of March 31, 2024, none of our employees were represented by unions or covered by collective bargaining agreements.

We believe that our future success largely depends upon our continued ability to attract and retain highly skilled talent. We provide our employees with competitive salaries and bonuses, opportunities for equity ownership, development programs that enable continued learning and growth and a robust employment package that promotes well-being across all aspects of their lives.

We strive for diversification and retention of talent that ultimately drives top performance, diverse thought, inclusive culture and leadership development. We invest in processes that help to activate equitable access for employee growth, both personally and professionally. As of March 31, 2024, our workforce was 42% female and

31% ethnically diverse. Employees at a Vice President level or above were 24% female. Through multiple initiatives, we continue to seek opportunities to increase the diversity of our teams.

Properties

Our corporate headquarters are located at 199 Water St. 28th Floor New York, New York 10038, where we occupy 36,985 square feet of office space under a lease that expires on May 31, 2026. We also maintain offices in Las Vegas, Nevada. We believe our present facilities are sufficient to support our operations.

The Seaport, located on the East River in Lower Manhattan, encompasses several city blocks (inclusive of Historic Area/Uplands, Pier 17, Tin Building and the 250 Water Street development) and totals approximately 478,000 square feet of innovative culinary, entertainment and cultural experiences. 250 Water Street is zoned for 547,000 square feet of market rate and affordable housing, office, retail and community-oriented gathering space.

The following tables summarize certain metrics of the Landlord Operations properties in the Seaport as of March 31, 2024:

Landlord Operations	Rentable Square Feet	Leased Square Feet	% Leased
Entertainment, Retail, Restaurant, Office and Other	478,014	322,393	67 %

Landlord Operations	Rentable Units	Leased Units	% Leased
Multi-family	21	21	100 %

Within our Sponsorships, Events, and Entertainment segment, Seaport Entertainment owns the Las Vegas Ballpark, a 10,000-person capacity stadium located in downtown Summerlin, Nevada, outside of Last Vegas.

Government Regulation and Compliance

We are subject to numerous federal, state and local government laws and regulations, including those relating to: real property; employment practices; building, health and safety; competition, anti-bribery and anti-corruption; the preparation and sale of food and beverages; building and zoning requirements; cybersecurity and data privacy; and general business license and permit requirements. For example, various federal, state and local statutes, ordinances, rules and regulations concerning building, health and safety, site and building design, environment, zoning, sales and similar matters apply to or affect the real estate industry. Our ability to obtain or renew permits or approvals and the continued effectiveness of permits already granted or approvals already obtained depends on factors beyond our control, such as changes in federal, state and local policies, rules and regulations and their interpretations and application. Additionally, approval to develop real property sometimes requires political support and generally entails an extensive entitlement process involving multiple and overlapping regulatory jurisdictions and often requires discretionary action by local governments. Real estate projects must generally comply with local land development regulations and may need to comply with state and federal regulations. We incur substantial costs to comply with legal and regulatory requirements.

There is also a variety of legislation being enacted, or considered for enactment, at the federal, state and local levels relating to energy and climate change. This legislation relates to items such as carbon dioxide emissions control and building codes that impose energy efficiency standards. New building code requirements that impose stricter energy efficiency standards could significantly increase our cost to construct buildings. As climate change concerns continue to grow, legislation and regulations of this nature are expected to continue and become more costly to comply with. We may be required to apply for additional approvals or modify our existing approvals because of changes in local circumstances or applicable law. Governmental regulation also affects sales activities, mortgage lending activities and other dealings with consumers. Further, government agencies routinely initiate audits, reviews or investigations of our business practices to ensure compliance with applicable laws and regulations, which can cause us to incur costs or create other disruptions in our business that can be significant. We may experience delays and increased expenses as a result of legal challenges, whether brought by governmental authorities or private parties.

Under various federal, state and local laws and regulations, an owner of real estate is liable for the costs of remediation of certain hazardous substances, including petroleum and certain toxic substances (collectively hazardous substances) on such real estate. These laws often impose such liability without regard to whether the owner knew of, or was responsible for, the presence of such hazardous substances. The costs of remediation of such substances may be substantial, and the presence of such substances, or the failure to remediate such substances, may adversely affect the owner's ability to sell such real estate or to obtain financing using such real estate as collateral. Other federal, state and local laws, ordinances and regulations require abatement or removal of asbestos-containing materials in the event of demolition or certain renovations or remodeling, the cost of which may be substantial for certain redevelopments, and also govern emissions of and exposure to asbestos fibers in the air. Federal and state laws also regulate the operation and removal of underground storage tanks. In connection with our ownership, operation and management of certain properties, we could be held liable for the costs of remedial action with respect to these regulated substances or tanks or related claims.

Intellectual Property

We own several trademarks, copyrights and other intellectual property rights. Although our intellectual property rights are important to our success, we do not consider any single right to be of material significance to our business.

Legal Proceedings

As part of our normal business activities, we are a party to a number of legal proceedings. Management periodically assesses our liabilities and contingencies in connection with these matters based upon the latest information available. The results of any current or future litigation cannot be predicted with certainty; however, as of March 31, 2024, we believe there were no pending lawsuits or claims against us that, individually or in the aggregate, could have a material adverse effect on our business, results of operations or financial condition. For more information, see Note 8 to the audited combined financial statements included elsewhere in this information statement.

MANAGEMENT

Executive Officers Following the Distribution

The following table sets forth information, as of , 2024 with respect to the individuals who are expected to serve as our executive officers, including their positions, and is followed by a biography of each such individual. Additional executive officers of the Company may be identified prior to completion of the distribution, and if so the names and biographies of such additional persons will be provided in subsequent amendments to this information statement.

Name	Age	Position
Anton D. Nikodemus	60	Chief Executive Officer, Chairman of the Board of Directors and Director Nominee
Matthew M. Partridge	40	Chief Financial Officer
Lucy Fato	57	General Counsel and Corporate Secretary

Anton D. Nikodemus is the Chief Executive Officer of Seaport Entertainment and a member of our board of directors, and will serve as chairman of our board commencing immediately upon the completion of the distribution. Mr. Nikodemus has spent over 30 years in entertainment and hospitality leading the development and operations of industry premier destination brands. Prior to joining the Company, he served as President and Chief Operating Officer of CityCenter for MGM Resorts International from December 2020 to November 2023, where he oversaw operations for The Cosmopolitan of Las Vegas, Vdara Hotel & Spa and ARIA Resort & Casino. He also served as Portfolio President of Las Vegas Properties; President and Chief Operating Officer, Bellagio and Park MGM from April 2020 to December 2020 and President and Chief Operating Officer Luxury Portfolio at MGM Resorts International from February 2019 to March 2020. Mr. Nikodemus notably led the creation and development of the MGM National Harbor Hotel & Casino in Maryland and the MGM Springfield in Massachusetts. Mr. Nikodemus earned a B.S. in Business Management and Marketing from Arizona State University, and he completed the Advanced Finance Program at the Wharton School of the University of Pennsylvania.

Matthew M. Partridge is the Chief Financial Officer of Seaport Entertainment. Mr. Partridge has nearly 15 years of experience in real estate and hospitality, across a variety of asset classes and operating models with public and private companies. Prior to joining Seaport Entertainment, Mr. Partridge was the Senior Vice President, Chief Financial Officer and Treasurer for two publicly traded real estate investment trusts, CTO Realty Growth, Inc. (NYSE: CTO) and Alpine Income Property Trust, Inc. (NYSE: PINE), where he was responsible for accounting, asset management, corporate finance and investor relations, information technology and risk management. He held both roles from October 2020 to April 2024. Before that, Mr. Partridge served as Chief Operating Officer and Chief Financial Officer of Hutton Companies, a private commercial real estate development and investment company headquartered in Chattanooga, Tennessee, from August 2018 to September 2020. Mr. Partridge earned a B.B.A. in Finance from Eastern Michigan University and an M.B.A. in International Business and Finance from Xavier University.

Lucy Fato is the General Counsel and Corporate Secretary of Seaport Entertainment. Before joining Seaport Entertainment in May 2024, Ms. Fato served as Vice Chair of American International Group, Inc. (“AIG”) (NYSE: AIG), from October 2023 until March 2024. Previously, beginning in 2017, she served as AIG’s General Counsel and Global Head of Communications and Government Affairs. Prior to her time at AIG, Lucy served as Head of the Americas and General Counsel of Nardello & Co., a global private investigative firm, where she remains a member of the company’s advisory board. In 2014 and 2015, Ms. Fato was General Counsel of McGraw-Hill Financial (now known as S&P Global Inc. (NYSE: SPGI)), and for nine years prior to that, she served as Deputy General Counsel and Corporate Secretary of Marsh & McLennan Companies, Inc. (NYSE: MMC). Ms. Fato began her legal career at Davis Polk & Wardwell LLP, where she spent fourteen years as a capital markets lawyer, including five as a partner in the firm’s Corporate Department. Ms. Fato currently serves on the advisory board of the Harvard Law School Center on the Legal Profession and on the board of directors of the Alfred E. Smith Memorial Foundation. Ms. Fato earned a B.A. in Business and Economics from the University of Pittsburgh and a J.D. from the University of Pittsburgh School of Law.

Board of Directors Following the Distribution

The following table sets forth information, as of , 2024 with respect to the individuals who are expected, as of the date of this information statement, to serve on our board of directors following the completion of the distribution, and is followed by a biography of each such individual.

Name	Age	Position
Anton D. Nikodemus[(1)]	60	Chief Executive Officer, Chairman of the Board and Director
Michael A. Crawford	56	Director Nominee
Monica S. Digilio	61	Director Nominee
David Z. Hirsh	61	Director Nominee
Anthony F. Massaro	36	Director Nominee

(1) The biography of Anton D. Nikodemus is set forth under the section entitled "—Executive Officers Following the Distribution."

Michael A. Crawford will serve as a member of our board of directors commencing immediately upon completion of the distribution. Mr. Crawford currently serves as Chairman of the Board and President and Chief Executive Officer for Hall of Fame Resort & Entertainment Company (Nasdaq: HOFV) ("Hall of Fame Resort & Entertainment Co."), including its subsidiaries, Hall of Fame Village Media, Gold Summit Gaming, and Hall of Fame Village, which he joined in December 2018. Hall of Fame Resort & Entertainment Co. is a sports, entertainment and media enterprise headquartered in Canton, Ohio, established in 2020 as a result of a merger between HOF Village, LLC, a partnership between the Pro Football Hall of Fame and Industrial Realty Group, and Gordon Pointe Acquisition Corp. From 2014 to 2018, Mr. Crawford held numerous executive positions with the Four Seasons Hotels and Resorts Company ("Four Seasons"), starting as the President of Asia Pacific and subsequently becoming Global President of Portfolio Management. While at Four Seasons, he was responsible for business and capital planning, along with the design and construction of all new Four Seasons hotels and resorts worldwide, as well as overseeing global operations of all Four Seasons branded residential assets. Prior to his time at Four Seasons, Mr. Crawford spent almost 25 years at the Walt Disney Company (NYSE: DIS) where he rose to Senior Vice President and General Manager of Shanghai Disney Resort and President of Shanghai's Walt Disney Holdings Company. Mr. Crawford's learnings over decades of international business experience with these two global brands is well documented in his best-selling book, *From the Mouse's House to the Penthouse.* Mr. Crawford currently serves on the board of directors of Texas Roadhouse, Inc. (Nasdaq: TXRH). Mr. Crawford earned a B.S. in Business Administration from Bowling Green State University and an M.B.A. from the University of Notre Dame. We believe that Mr. Crawford's chief executive experience, in addition to his extensive hospitality industry, international business, and strategic planning experience, provide him with valuable insights and perspectives that will assist the Company and our board of directors.

Monica S. Digilio will serve as a member of our board of directors commencing immediately upon completion of the distribution. Ms. Digilio is the Founder, and has served as Chief Executive Officer, of Compass Advisors LLC, a strategic advisory firm that draws on her expertise in human resources, talent management, business leadership and organizational development since January 2021. Prior to establishing Compass Advisors, Ms. Digilio was the Executive Vice President and Chief Human Resources Officer for Caesars Entertainment Corporation from 2018 to 2020, where she led the Human Resources and Corporate Social Responsibility functions. Prior to her tenure at Caesars, Ms. Digilio spent six years as the Executive Vice President and Chief Human Resources Officer for Montage International and spent 12 years as the Executive Vice President of Global Human Resources & Administration for Kerzner International, the parent company of the Atlantis and One&Only brands. Ms. Digilio spent 10 years at ITT Sheraton, culminating in leading Human Resources for the North America division. Ms. Digilio currently serves on the boards of directors of Sunstone Hotel Investors (NYSE: SHO), CopperPoint Insurance Companies and The Venetian Resort Las Vegas. Ms. Digilio is an Advisory Board Member for Cornell University's Leland C. and Mary M. Pillsbury Institute for Hospitality Entrepreneurship. She is also a member of the Women Corporate Directors Foundation and the National Association of Corporate Directors. Ms. Digilio earned both a B.S. in Communications and an M.S. in Corporate Communications from Ithaca College. We believe that Ms. Digilio's real estate knowledge, labor relations, corporate governance, enterprise risk management and hospitality

industry experience provide her with valuable insights and perspectives that will assist the Company and our board of directors.

David Z. Hirsh will serve as a member of our board of directors commencing immediately upon completion of the distribution. Mr. Hirsh has served as the Vice Chairman of Sterling Investors, a real estate investment firm, since January 2022. Prior to that, he served as Senior Advisor at Sterling Investors from April 2020 to December 2021. Mr. Hirsh previously spent approximately sixteen years working in the Real Estate Asset Management Group at Blackstone Inc. ("Blackstone") in various roles until his retirement in January 2018 from the role of Managing Director. During his tenure at Blackstone, Mr. Hirsh's most significant responsibilities included day-to-day oversight and strategic management of Equity Office Properties from 2009 to 2018, IndCor Industrial Properties from 2013 to 2015, the LXR Hotels and Resorts portfolio from 2004 to 2010 and several investments in the retail and senior housing sectors. Prior to joining Blackstone, Mr. Hirsh worked at Citigroup Inc. for approximately fifteen years, including six years in real estate asset management, where he led the hotel group, and five years in corporate finance, specializing in corporate real estate and project lending. Mr. Hirsh is involved in several philanthropic efforts including the THANC Foundation and CaringKind. He is also an Adjunct Professor and Vice Chair of the Advisory Board at the New York University Schack Institute of Real Estate, a trustee of the Madison Square Park Conservancy and a trustee at Pace University. Mr. Hirsh served on the board of directors of SILVERspac Inc. (Nasdaq: SLVR) from September 2021 to September of 2023. Mr. Hirsh earned a B.B.A in Public Accounting from Pace University and an M.S. in Real Estate Development and Investment from New York University. We believe that Mr. Hirsh's finance and real estate experience provide him with valuable insights and perspectives that will assist the Company and our board of directors.

Anthony F. Massaro will serve as a member of our board of directors commencing immediately upon completion of the distribution. Mr. Massaro is a partner and member of the investment team at Pershing Square Capital Management, which he joined in 2013. Mr. Massaro was previously a private equity associate at Apollo Global Management ("Apollo"), where he focused on leveraged buyout and distressed debt investments across a wide range of industries. Prior to his time at Apollo, he was an analyst in the investment banking division at Goldman Sachs. He earned a B.S. in Finance and Accounting from the Wharton School at the University of Pennsylvania. We believe that Mr. Massaro's finance experience provides him with valuable insights and perspectives that will assist the Company and our board of directors.

Composition of the Board

Upon completion of the distribution, our board of directors is expected to consist of five members, with serving as lead independent director.

In connection with the distribution, we will amend and restate our certificate of incorporation (as amended, the "Certificate of Incorporation") and our bylaws (as amended, the "Bylaws"). The Certificate of Incorporation and Bylaws will provide that directors will be up for election at each annual meeting and that each director will hold office until the next annual meeting and, thereafter, until such director's successor is duly elected and qualified or until such director's earlier death, resignation, disqualification, disability or removal.

Pursuant to the Investor Rights Agreement we expect to enter into with Pershing Square, following the completion of our spin-off from HHH, as long as Pershing Square owns at least 10% of the total outstanding shares of our common stock, Pershing Square will be entitled to nominate at least one director to our board of directors and, if we increase the size of the board to larger than five directors, as many nominees as represent at least 20% of the total number of directors then on the board. These board designation rights will also be contained in our Certificate of Incorporation.

Director Independence

Our board of directors has determined that are independent directors under the applicable rules of the NYSE.

Our board of directors will assess on a regular basis, and at least annually, the independence of directors and, based on the recommendation of our Nominating and Corporate Governance Committee (the "Nominating and Corporate Governance Committee"), will make a determination as to which members are independent.

Committees of Our Board of Directors

Effective immediately prior to the commencement of "when issued" trading of our common stock on the NYSE, our board of directors will have a standing Audit Committee, and effective upon the completion of the separation, our board of directors will also have a standing Compensation Committee and a standing Nominating and Corporate Governance Committee.

Audit Committee. The initial members of the Audit Committee (the "Audit Committee") will be , and will serve as chair of the Audit Committee. Our board of directors has determined that is an "audit committee financial expert" for purposes of the rules of the SEC. In addition, our board of directors has determined that are independent, as defined by the rules of the NYSE and Section 10A(m)(3) of the Exchange Act. Rule 10A-3 of the Exchange Act and the NYSE rules require that our Audit Committee have at least one independent member upon the listing of our common stock, have a majority of independent members within 90 days of the date of this information statement and be composed entirely of independent members within one year of the date of this information statement. The Audit Committee will be organized and conduct its business pursuant to a written charter. The Audit Committee may meet in executive session, without the presence of management, and will report to our board of directors on its actions and recommendations at each regularly scheduled Board meeting. The Audit Committee will be responsible, among its other duties and responsibilities, for reviewing, monitoring, and evaluating the following matters: the engagement of the independent auditors, the internal audit function, and financial reporting compliance. The Audit Committee will also prepare the report that the SEC rules require be included in our annual proxy statement.

Compensation Committee. The initial members of the Compensation Committee (the "Compensation Committee") will be , with serving as chair. Our board of directors has determined that are independent, as defined by the rules of the NYSE and Section 10C(a) of the Exchange Act. In addition, we expect that will qualify as "non-employee directors" for purposes of Rule 16b-3 under the Exchange Act. The Compensation Committee will discharge our board of director's responsibilities relating to the compensation of our executive officers, including setting goals and objectives for, evaluating the performance of, and approving the compensation paid to, our executive officers. The Compensation Committee will be responsible, among its other duties and responsibilities, for determining and approving the compensation and benefits of our directors and executive officers, monitoring compensation arrangements applicable to our executive officers in light of their performance, effectiveness and other relevant considerations, adopting and administering our equity and incentive plans and preparing the annual report as required by the SEC. The Compensation Committee will have sole authority to retain and terminate any compensation consultant, legal counsel or other advisor, as the Compensation Committee deems appropriate to assist the Compensation Committee in the performance of its duties, including the sole authority to approve the fees and other terms and conditions of retention. Prior to any such retention, the Compensation Committee will assess any factors relevant to such consultant's, legal counsel's or other advisor's independence from management, including the factors specified in NYSE's Corporate Governance Standards or other listing rules, to evaluate whether the services to be performed will raise any conflict of interest or compromise the independence of such consultant, legal counsel or other advisor.

Nominating and Corporate Governance Committee. The initial members of the Nominating and Corporate Governance Committee will be , with serving as chair. Our board of directors has determined that are independent, as defined by the rules of the NYSE. The Nominating and Corporate Governance Committee will be responsible for recommending candidates for election to our board of directors. In making its recommendations, the Nominating and Corporate Governance Committee will review a candidate's qualifications and any potential conflicts of interest and assess contributions of current directors in connection with his or her re-nomination. The Nominating and Corporate Governance Committee will also be responsible, among its other duties and responsibilities, for making recommendations to our board of directors or otherwise acting with respect to corporate governance policies and practices, including size and membership qualifications for our board of directors,

new director orientation, committee structure and membership, related party transactions and communications with stockholders and other interested parties.

Our board of directors is expected to adopt a written charter for each of the Audit Committee, the Compensation Committee and the Nominating and Corporate Governance Committee. These charters will be posted on our website in connection with the separation.

Compensation Committee Interlocks and Insider Participation

During our fiscal year ended December 31, 2023, we were not a separate or independent company and did not have a Compensation Committee or any other committee serving a similar function. Decisions as to the compensation for that fiscal year of those who will serve as our executive officers were made by HHH, as described in the section entitled "Executive Compensation."

Code of Business Conduct and Ethics

In connection with the separation, we will adopt a Code of Business Conduct and Ethics (the "Code of Conduct"). The Code of Conduct will set forth Company policies, expectations and procedures on a number of topics, including but not limited to conflicts of interest, compliance with laws, rules and regulations (including insider trading laws), honesty and ethical conduct and quality. The Code of Conduct will also set forth procedures for reporting violations of the Code of Conduct and investigations thereof. If our board of directors grants any waivers from our Code of Conduct to any of our directors or executive officers, or if we amend our Code of Conduct, we will, if required, disclose these matters through our website within four business days following such waiver or amendment. Our website, and the information contained therein, or connected thereto, is not incorporated by reference into this information statement.

Procedures for Treatment of Complaints Regarding Accounting, Internal Accounting Controls and Auditing Matters

In accordance with the Sarbanes-Oxley Act, our Board will establish a process for stockholders and interested parties to communicate with our board of directors and to report complaints or concerns relating to our accounting, internal accounting controls or auditing matters. Complaints or concerns relating to our accounting, internal accounting controls or auditing matters will be referred to members of the Audit Committee.

Website Disclosure

The Corporate Governance Guidelines and Code of Conduct will be posted on our website, , in connection with the separation.

EXECUTIVE COMPENSATION

We have prepared this disclosure in connection with our separation from HHH. Prior to our separation from HHH, the Company has been a subsidiary of HHH, and therefore, its historical compensation program has been primarily determined by HHH's senior management and the compensation committee of the HHH Board (the "HHH Compensation Committee"). Since the information presented in the compensation tables of this information statement relates to the 2023 fiscal year, which ended on December 31, 2023, this discussion focuses primarily on HHH's compensation program and decisions as they applied to our Chief Executive Officer ("CEO"), Anton Nikodemus, with respect to his 2023 compensation while we were part of HHH. This section also presents certain compensation information for our Chief Financial Officer, Matthew Partridge, who, with Mr. Nikodemus, is expected to serve as an executive officer of the Company immediately following the separation. Mr. Nikodemus commenced employment with HHH at the end of 2023 and thus is included as a named executive officer ("NEO") in the 2023 Summary Compensation Table and the Outstanding Equity Awards at 2023 Fiscal Year-End table below. Because Mr. Partridge commenced employment in April 2024 and did not receive any compensation from HHH during 2023, he is not included in the executive compensation tables below. See "—Executive Compensation Arrangements—Partridge Employment Agreement" for a description of Mr. Partridge's employment agreement.

Our Compensation Committee has not yet been established. In connection with the separation, our board of directors intends to form our Compensation Committee. We expect that following the separation, our Compensation Committee will determine the compensation program for our executive officers.

Executive Compensation Tables

In 2023, the HHH Compensation Committee reviewed and administered the compensation program for our CEO. The executive compensation tables below present certain 2023 compensation information for our CEO reflecting compensation paid by HHH. The overall compensation package described below, and the components thereof, may not necessarily be indicative of the compensation that our executive officers will receive from us following the separation. All stock-based awards presented in the following tables and narrative discussion reflect awards covering common shares of HHH.

2023 Summary Compensation Table

The following table sets forth information concerning our CEO's compensation for the year ended December 31, 2023.

Name and Principal Position Following the Separation [1]	Year	Salary ($)[2]	Stock Awards ($) [3]	Total
Anton Nikodemus *Chief Executive Officer*	2023	4,808	2,400,020	2,404,828

(1) The principal position shown in this column reflects the principal position that Mr. Nikodemus will hold with the Company following our separation from HHH. Mr. Nikodemus' principal position with HHH during fiscal 2023 was Chief Executive Officer of HHH Seaport Division.

(2) Mr. Nikodemus' salary amount in the table above reflects the pro-rated salary payments made to Mr. Nikodemus for his partial year of employment with HHH in 2023, based on an annual base salary rate of $1,250,000 per year.

(3) The amount reported in the "Stock Awards" column represents the aggregate grant date fair value of the restricted stock award (time-based vesting) granted to Mr. Nikodemus in 2023, computed in accordance with Financial Accounting Standards Board Accounting Standards Codification 718, Compensation – Stock Compensation ("ASC Topic 718"). Pursuant to SEC rules, the amount shown in this column excludes the impact of estimated forfeitures related to service-based vesting conditions. HHH provides information regarding the assumptions used to calculate the value of stock awards in Note 11 to the consolidated financial statements included in HHH's Annual Report on Form 10-K for the year ended December 31, 2023.

Narrative to Summary Compensation Table

2023 Salary

Our CEO receives a base salary to compensate him for services rendered to HHH. The base salary payable to Mr. Nikodemus is intended to provide a fixed component of compensation reflecting his skill set, experience, role and responsibilities. His 2023 annual base salary was $1,250,000. As noted above, the actual salary payments

received by Mr. Nikodemus in 2023 were pro-rated based on his start date. Mr. Nikodemus' annual base salary has not been increased for 2024.

Annual Bonus

Mr. Nikodemus did not participate in the HHH annual bonus program or an annual bonus program for the Company in 2023. Pursuant to the terms of his employment agreement, Mr. Nikodemus will be eligible to receive an annual bonus beginning in fiscal year 2024. We have not established an annual bonus program for 2024. See "—Executive Compensation Arrangements—Nikodemus Employment Agreement" below.

Equity Compensation

On December 29, 2023, HHH granted Mr. Nikodemus a time-based restricted stock ("TBRS") award covering 28,054 shares of HHH common stock under the Howard Hughes Corporation 2020 Equity Incentive Plan (the "HHH 2020 Plan").

The TBRS award granted to Mr. Nikodemus vests as to one-third of the award on each of the first three anniversaries of the grant date, subject to Mr. Nikodemus' continued service through the applicable vesting date. In the event that Mr. Nikodemus' service is terminated without "cause" or for "good reason" (as such terms are defined in his employment agreement), due to a non-renewal of his employment agreement by HHH or the Company (as applicable) or due to his death or permanent disability, in any case, all restricted shares subject to the award will vest (to the extent not already vested).

Mr. Nikodemus' TBRS award will be adjusted in connection with the separation. See "Certain Relationships and Related Party Transactions—Agreements with HHH—Employee Matters Agreement—Equity Award Treatment" for a detailed description of the treatment of equity-based awards in connection with the separation.

Retirement Plans

HHH maintains a 401(k) retirement savings plan for its employees who satisfy certain eligibility requirements. In 2024, Mr. Nikodemus and Mr. Partridge are eligible to participate in the 401(k) plan on the same terms as other full-time employees. The Code allows eligible employees to defer a portion of their compensation, within prescribed limits, on a pre-tax basis through contributions to the 401(k) plan. Currently, HHH matches contributions made by participants in the 401(k) plan up to a specified percentage of the employee contributions, and these matching contributions are fully vested as of the date on which the contribution is made.

Employee Benefits and Perquisites

HHH currently provides employees, including Mr. Nikodemus and Mr. Partridge, with a variety of employee welfare benefits including medical benefits, disability benefits, life insurance and accidental death and dismemberment insurance, which are generally provided to other full-time employees. HHH also provides select executives, including Mr. Nikodemus and Mr. Partridge, with disability insurance and travel insurance benefits which are generally not provided to other employees, and for which HHH pays the full amount of the applicable premiums.

Outstanding Equity Awards at 2023 Fiscal Year-End

The following table summarizes the number of shares of HHH common stock underlying outstanding equity incentive plan awards for each NEO as of December 31, 2023.

		Stock Awards	
Name	Date of Grant	Number of Shares or Units of Stock That Have Not Vested (#)	Market Value of Shares or Units of Stock That Have Not Vested ($)[1]
Anton Nikodemus	12/29/2023	28,054 [2]	$2,400,020

(1) Amount is calculated based on multiplying the number of shares shown in the table by the per share closing price of HHH common stock on December 29, 2023 (the last trading day of 2023), which was $85.55.

(2) This TBRS award was granted effective December 29, 2023 under the HHH 2020 Plan and vests as to one-third of the award on each of the first three anniversaries of December 29, 2023, subject to Mr. Nikodemus' continued service through the applicable vesting date. In the event that Mr. Nikodemus' service is terminated without cause or for good reason, due to a non-renewal of his employment agreement by HHH or the Company (as applicable) or due to his death or permanent disability, in any case, all restricted shares subject to the award will vest (to the extent not already vested).

Executive Compensation Arrangements

Nikodemus Employment Agreement

HHH entered into an employment agreement with Mr. Nikodemus to serve as the Chief Executive Officer of HHH Seaport Division, effective December 29, 2023 (the "Nikodemus Employment Agreement"), which contemplates the assignment of the Nikodemus Employment Agreement by HHH to us in connection with the separation (as used herein, the "Employer" will refer to HHH prior to such assignment and the Company upon and following such assignment). The initial term of the Nikodemus Employment Agreement expires on December 29, 2028, unless earlier terminated. Thereafter, the term shall renew automatically for additional periods of one year, unless either party provides notice of non-renewal at least 60 days prior to the automatic renewal. Under the Nikodemus Employment Agreement, Mr. Nikodemus' annual base salary is $1,250,000, and he will be eligible to earn an annual cash bonus (commencing in 2024) in the targeted amount of 100% of his annual base salary, based upon the achievement of performance goals established by the Employer's compensation committee. If the Employer's compensation committee establishes a minimum overall performance goal that Mr. Nikodemus is required to achieve to receive an annual bonus and the minimum goal is achieved, then the annual bonus for such calendar year shall be equal to at least 50% of the target, but no more than 150% of the target bonus. Pursuant to the Nikodemus Employment Agreement, Mr. Nikodemus was paid a one-time cash bonus of $1,000,000 in February 2024 (50% of which was deferred by Mr. Nikodemus under the HHH nonqualified deferred compensation plan).

In addition to the TBRS award granted to Mr. Nikodemus on December 29, 2023, the Nikodemus Employment Agreement provides for the grant by the Company to Mr. Nikodemus of a long-term incentive ("LTI") award consisting of shares of restricted stock, a stock option having a per share exercise price equal to 100% of the fair market value of a share of our common stock on the date of grant and a stock option having a per share exercise price equal to 150% of the fair market value of a share of our common stock on the date of grant, each representing one-third of the value of the LTI award. The LTI award will be granted as soon as reasonably practicable following the date on which the Company begins trading on a nationally recognized securities exchange and has filed a Form S-8 and will have an aggregate value equal to $10,000,000, and each award will cliff-vest on the five-year anniversary of the date on which the Company begins trading on a nationally-recognized securities exchange.

In connection with Mr. Nikodemus' relocation to the New York City, New York metropolitan area following his commencement of employment, he is eligible to receive temporary housing for up to 12 months and reimbursement of relocation expenses up to $200,000.

Pursuant to the Nikodemus Employment Agreement, in the event that Mr. Nikodemus terminates his employment for "good reason" or is terminated by the Employer without "cause" (other than due to non-renewal,

death or disability), the Employer will pay and provide Mr. Nikodemus, in addition to his previously accrued benefits and compensation, the following:

(1) a prorated portion of the target annual cash bonus, based upon the number of days elapsed during the applicable calendar year in which he was employed;

(2) an amount equal to the sum of Mr. Nikodemus' annual base salary and target annual cash bonus; and

(3) all outstanding and unvested time-vesting equity awards, if any, will fully vest, and all outstanding performance-vesting equity awards will remain outstanding and continue to vest based on the achievement of the performance metrics.

Pursuant to the Nikodemus Employment Agreement, in the event that Mr. Nikodemus' employment terminates due to (i) the Employer's non-renewal of the Nikodemus Employment Agreement after the expiration of the initial term ending on December 29, 2028 or any subsequent one-year renewal period or (ii) Mr. Nikodemus' death or disability, in any case, the Employer will pay and provide Mr. Nikodemus (or his estate), in addition to his previously accrued benefits and compensation, the following:

(1) a prorated portion of the target annual cash bonus, based upon the number of days elapsed during the applicable calendar year in which he was employed; and

(2) all outstanding and unvested time-vesting equity awards, if any, will fully vest and all outstanding performance-vesting equity awards will remain outstanding and continue to vest based on the achievement of the performance metrics.

Pursuant to the Nikodemus Employment Agreement, in the event that Mr. Nikodemus terminates his employment for "good reason" or his employment is terminated by the Employer without "cause," in either case, in connection with, or within 12 months following, a change in control, the Employer will pay and provide Mr. Nikodemus, in addition to his previously accrued benefits and compensation, the following:

(1) a prorated portion of the target annual cash bonus based upon the number of days elapsed during the applicable calendar year in which he was employed;

(2) an amount equal to two times the sum of Mr. Nikodemus' annual base salary and the target annual cash bonus; and

(3) all outstanding and unvested time-vesting equity awards, if any, will fully and immediately vest and all outstanding performance-vesting equity awards will vest at the greater of (a) 100% of the number of shares of common stock granted pursuant to each such award and (b) the performance level achieved as of the termination date.

Receipt of the severance payments and benefits set forth above is contingent upon Mr. Nikodemus executing and not revoking a release of claims in favor of the Employer.

Under the Nikodemus Employment Agreement, Mr. Nikodemus is also subject to certain restrictive covenants regarding confidentiality, non-disparagement, non-solicitation and non-competition. The non-solicitation and non-competition covenants apply during the term of Mr. Nikodemus' employment and for the 12-month period following his termination of employment for any reason.

Partridge Employment Agreement

HHH entered into an employment agreement with Mr. Partridge to serve as the Chief Financial Officer of HHH Seaport Division, effective April 1, 2024 (the "Partridge Employment Agreement"), which contemplates the assignment of the Partridge Employment Agreement by HHH to us in connection with the separation (as used herein, the "Employer" will refer to HHH prior to such assignment and the Company upon and following such assignment). While Mr. Partridge did not commence employment with HHH in 2023 and thus is not an NEO for

purposes of the executive compensation tables above, Mr. Partridge may be considered an NEO of the Company in the future. As such, we have provided a description of the Partridge Employment Agreement here.

The initial term of the Partridge Employment Agreement expires on April 1, 2029, unless earlier terminated. Thereafter, the term shall renew automatically for additional periods of one year, unless either party provides notice of non-renewal at least 60 days prior to the automatic renewal. Under the Partridge Employment Agreement, Mr. Partridge's annual base salary is $550,000, and he will be eligible to earn an annual cash bonus (commencing in 2024) in the targeted amount of 75% of his annual base salary, based upon the achievement of performance goals established by the Employer's compensation committee. If the Employer's compensation committee establishes a minimum overall performance goal that Mr. Partridge is required to achieve to receive an annual bonus and the minimum goal is achieved, then the annual bonus for such calendar year shall be equal to at least 50% of the target, but no more than 150% of the target bonus. Pursuant to the Partridge Employment Agreement, Mr. Partridge was paid a one-time cash bonus of $200,000 in April 2024, a prorated portion of which is subject to clawback in the event that the Employer terminates Mr. Partridge's employment for "cause" (as such term is defined in the Partridge Employment Agreement) or Mr. Partridge voluntarily resigns, in either case, prior to the 18-month anniversary of Mr. Partridge's start date.

Mr. Partridge was granted an initial TBRS award on April 1, 2024 covering 14,081 shares of HHH common stock, which vests as to one-third of the award on each of the first three anniversaries of the grant date, subject to his continued service through the applicable vesting date. In the event that Mr. Partridge's service is terminated without "cause" or for "good reason" (as such terms are defined in the Partridge Employment Agreement), due to a non-renewal of his employment agreement by the Employer or due to his death or permanent disability, in any case, all restricted shares subject to the award will vest (to the extent not already vested).

In addition to the TBRS award granted to Mr. Partridge on April 1, 2024, the Partridge Employment Agreement provides that during each calendar year during the term of the Partridge Employment Agreement commencing in 2024, Mr. Partridge will be eligible to receive an annual long-term incentive ("LTI") equity or equity-based award with an aggregate target value equal to $900,000 and with the actual amount of the LTI award based on the achievement of the annual bonus performance metrics applicable to Mr. Partridge. 50% of each annual LTI award shall provide for pro rata time vesting over three years, subject to Mr. Partridge's continued service through the applicable vesting date, and the other 50% of the annual LTI award shall provide for performance-based vesting. The annual LTI award will be granted to Mr. Partridge at the same time as annual equity or equity-based grants are made to other senior executives of the Company, but in no event later than March 15 of the applicable year.

In connection with Mr. Partridge's relocation to the New York City, New York metropolitan area following his commencement of employment, he is eligible to receive temporary housing for up to 12 months and reimbursement of relocation expenses up to $40,000.

Pursuant to the Partridge Employment Agreement, in the event that Mr. Partridge terminates his employment for "good reason" or is terminated by the Employer without "cause" (other than due to non-renewal, death or disability), the Employer will pay and provide Mr. Partridge, in addition to his previously accrued benefits and compensation, the following:

(1) a prorated portion of Mr. Partridge's target annual cash bonus, based upon the number of days elapsed during the applicable calendar year in which he was employed;

(2) an amount equal to the sum of Mr. Partridge's annual base salary and target annual cash bonus; and

(3) all outstanding and unvested time-vesting equity awards, if any, will fully vest, and all outstanding performance-vesting equity awards will remain outstanding and continue to vest based on the achievement of the performance metrics.

Pursuant to the Partridge Employment Agreement, in the event that Mr. Partridge's employment terminates due to (i) the Employer's non-renewal of the Partridge Employment Agreement after the expiration of the initial term ending on April 1, 2029 or any subsequent one-year renewal period or (ii) Mr. Partridge's death or disability, in any

case, the Employer will pay and provide Mr. Partridge (or his estate), in addition to his previously accrued benefits and compensation, the following:

(1) a prorated portion of Mr. Partridge's target annual cash bonus, based upon the number of days elapsed during the applicable calendar year in which he was employed; and

(2) all outstanding and unvested time-vesting equity awards, if any, will fully vest, and all outstanding performance-vesting equity awards will remain outstanding and continue to vest based on the achievement of the performance metrics.

Pursuant to the Partridge Employment Agreement, in the event that Mr. Partridge terminates his employment for "good reason" or his employment is terminated by the Employer without "cause," in either case, in connection with, or within 12 months following, a change in control, the Employer will pay and provide Mr. Partridge, in addition to his previously accrued benefits and compensation, the following:

(1) a prorated portion of Mr. Partridge's target annual cash bonus based upon the number of days elapsed during the applicable calendar year in which he was employed;

(2) an amount equal to two times the sum of Mr. Partridge's annual base salary and target annual cash bonus; and

(3) all outstanding and unvested time-vesting equity awards, if any, will fully and immediately vest, and all outstanding performance-vesting equity awards will vest at the greater of (a) 100% of the number of shares of common stock granted pursuant to each such award and (b) the performance level achieved as of the termination date.

Receipt of the severance payments and benefits set forth above is contingent upon Mr. Partridge executing and not revoking a release of claims in favor of the Employer.

Under the Partridge Employment Agreement, Mr. Partridge is also subject to certain restrictive covenants regarding confidentiality, non-disparagement, non-solicitation and non-competition. The non-solicitation and non-competition covenants apply during the term of Mr. Partridge's employment and for the 12-month period following his termination of employment for any reason.

Accelerated Vesting of Equity Awards

The TBRS award held by our NEO is eligible to vest upon certain terminations of his employment. See "Outstanding Equity Awards at 2023 Fiscal Year-End" for a description of these accelerated vesting provisions.

Equity Incentive Plan

We expect that, in connection with the separation, our board of directors will adopt, subject to approval by HHH as our sole common stockholder, the Seaport Entertainment Group Inc. 2024 Equity Incentive Plan (the "Equity Incentive Plan") pursuant to which we may grant equity-based and other incentive awards to eligible service providers. The terms of the Equity Incentive Plan have not yet been determined.

DIRECTOR COMPENSATION

We did not have a board of directors in 2023. As such, none of the members of our board of directors received compensation for service on our board in 2023.

In connection with the separation, we intend to adopt and implement a compensation program for our non-employee directors. The terms of this program have not yet been determined.

CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

Agreements with HHH

Following the separation, we and HHH will operate separately, each as an independent public reporting company. We and HHH will enter into a separation agreement that will effectuate the separation and distribution, as well as a transition services agreement, a tax matters agreement and an employee matters agreement. The Separation Agreement, transition services agreement, tax matters agreement and employee matters agreement will provide a framework for our relationship with HHH after the separation and provide for the allocation between Seaport Entertainment and HHH of HHH's assets, liabilities and obligations attributable to periods prior to, at and after our separation from HHH. The following summaries of the Separation Agreement, transition services agreement, employee matters agreement and tax matters agreement are each qualified in their entirety by reference to the full text of their respective agreements. The forms of the agreements listed above will be filed as exhibits to the registration statement on Form 10 of which this information statement is a part.

Separation Agreement

We intend to enter into a separation agreement with HHH immediately prior to the distribution of our common stock to HHH stockholders. The Separation Agreement will set forth our agreements with HHH regarding the principal actions to be taken in connection with the separation. It will also set forth other agreements that govern certain aspects of our relationship with HHH following the separation and distribution.

Transfer of Assets and Assumption of Liabilities

The Separation Agreement will identify assets to be transferred, liabilities to be assumed and contracts to be allocated to each of HHH and us as part of the internal reorganization transaction described herein, and will describe when and how these transfers, assumptions and assignments will occur, though many of the transfers, assumptions and assignments will have already occurred prior to the parties' entering into the Separation Agreement. The Separation Agreement will provide for those transfers of assets and assumptions of liabilities that are necessary in connection with the separation so that we and HHH retain or acquire the assets necessary to operate our respective businesses and retain or assume the liabilities allocated in accordance with the separation. The Separation Agreement will also provide for the settlement or extinguishment of certain liabilities and other obligations between us and HHH. In particular, the separation agreement will provide that, subject to the terms and conditions contained in the separation agreement:

- "Seaport Entertainment Assets" (as defined in the Separation Agreement), including, but not limited to, the equity interests of our subsidiaries, assets reflected on our pro forma balance sheet and assets primarily (or in the case of business records and rights to indemnification, exclusively) relating to our business, will be retained by or transferred to us or one of our subsidiaries, except as set forth in the Separation Agreement or one of the other agreements described below;
- "Seaport Entertainment Liabilities" (as defined in the Separation Agreement), including, but not limited to, the following will be retained by or transferred to us or one of our subsidiaries:
    - all of the liabilities (whether or not such liabilities cease being contingent, mature, become known, are asserted or foreseen, or accrue, in each case before, at or after the effective time of the separation) to the extent related to, arising out of or resulting from our business;
    - all of the liabilities as of the effective time of the separation that would have resulted in such liabilities being included or reflected as liabilities or obligations of Seaport Entertainment or its subsidiaries on our pro forma balance sheet;
    - liabilities based upon, relating to or arising from our contracts;
    - liabilities based upon, relating to or arising from our intellectual property;
    - liabilities based upon, relating to or arising out of our permits;

- liabilities based upon, relating to or arising out of our real property leases;
- liabilities based upon, relating to or arising out of our owned property;
- liabilities with respect to terminated, divested or discontinued businesses, assets or operations that were of such a nature that they would have been part of our business had they not been terminated, divested or discontinued;

- "Environmental Liabilities" (as defined in the Separation Agreement) arising at, prior to or after the effective time of the separation to the extent based upon, relating to or arising from the conduct of our business;
  - liabilities arising out of claims by any third party against us to the extent relating to, arising out of or resulting from our business or our assets; and
  - all assets and liabilities of HHH will be retained by HHH or one of its subsidiaries (other than us or one of our subsidiaries), except as set forth in the separation agreement or one of the other agreements described below and except for other limited exceptions that will result in us retaining or assuming certain other specified liabilities.

The allocation of liabilities with respect to taxes, except for payroll taxes and reporting and other tax matters expressly covered by the employee matters agreement, are generally covered by the tax matters agreement.

Except as expressly set forth in the Separation Agreement or any ancillary agreement, all assets will be transferred on an "as is," "where is" basis and the respective transferees will bear the economic and legal risks that any conveyance will prove to be insufficient to vest in the transferee good title, free and clear of any security interest, that any necessary approvals or notifications are not obtained or made or that any requirements of laws or judgments are not complied with. In general, neither we nor HHH will make any representations or warranties regarding any assets or liabilities transferred or assumed, any consents or approvals that may be required in connection with such transfers or assumptions, or any other matters.

Information in this information statement with respect to the assets and liabilities of the parties following the separation is presented based on the allocation of such assets and liabilities pursuant to the Separation Agreement, unless the context otherwise requires. Certain of the liabilities and obligations to be assumed by one party or for which one party will have an indemnification obligation under the Separation Agreement and the other agreements relating to the separation are, and following the separation may continue to be, the legal or contractual liabilities or obligations of another party. Each such party that continues to be subject to such legal or contractual liability or obligation will rely on the applicable party that assumed the liability or obligation or the applicable party that undertook an indemnification obligation with respect to the liability or obligation, as applicable, under the Separation Agreement, to satisfy the performance and payment obligations or indemnification obligations with respect to such legal or contractual liability or obligation.

Cash Contribution

Pursuant to the Separation Agreement, HHH will contribute approximately $23.4 million to us to provide additional liquidity following the separation and distribution.

Further Assurances; Separation of Guarantees

To the extent that any transfers of assets or assumptions of liabilities contemplated by the Separation Agreement have not been consummated on or prior to the date of the distribution, each party will agree to use commercially reasonable efforts to take or to cause to be taken all actions, and to do, or to cause to be done, all things reasonably necessary under applicable laws, regulations and agreements to consummate and make effective the transactions contemplated by the Separation Agreement and other transaction agreements. Additionally, we and HHH will use commercially reasonable efforts to remove us and our subsidiaries as a guarantor of liabilities retained by HHH and its subsidiaries and to remove HHH and its subsidiaries as a guarantor of liabilities to be assumed by us.

Shared Contracts and Permits

In the event any contract or permit is not a Seaport Entertainment Asset and is shared between HHH and us, such contract or permit shall remain with HHH; however, the parties are required to take reasonable actions to cause the appropriate party to receive the benefit of the contract or permit after the separation is complete.

Release of Claims and Indemnification

Except as otherwise provided in the Separation Agreement or any ancillary agreement, each party will release and forever discharge the other party and its subsidiaries and affiliates from all liabilities of such party, liabilities arising from, or in connection with, the transactions and other activities to implement the separation and distribution and liabilities arising from or in connection with actions, inactions, events, omissions, conditions, facts or circumstances occurring or existing prior to the effective time of the separation (whether or not such liabilities cease being contingent, mature, become known, are asserted or foreseen, or accrue, in each case before, at or after the effective time of the separation) to the extent relating to, arising out of or resulting from such party's business, assets and liabilities. The releases will not extend to obligations or liabilities under any agreements between the parties that remain in effect following the separation pursuant to the Separation Agreement or any ancillary agreement. These releases will be subject to certain exceptions set forth in the Separation Agreement.

The Separation Agreement will provide for cross-indemnities that, except as otherwise provided in the Separation Agreement, are principally designed to place financial responsibility for the obligations and liabilities allocated to us under the Separation Agreement with us and financial responsibility for the obligations and liabilities allocated to HHH under the separation agreement. Specifically, each party will indemnify, defend and hold harmless the other party, its affiliates and subsidiaries and each of its past, present and future officers, directors, employees and agents for any losses relating to, arising out of or resulting from, directly or indirectly:

- the liabilities the indemnifying party assumed or retained pursuant to the Separation Agreement;
- any breach by the indemnifying party of the Separation Agreement or any ancillary agreement (unless such other ancillary agreement expressly provides for separate indemnification therein);
- any third-party claims that the use of the indemnifying party's intellectual property by the other party infringes the intellectual property rights of such third-party;
- any guarantee, indemnification or contribution obligation, letter of credit, bond or similar credit support commitment by the other party for the benefit of the indemnifying party; and
- any untrue statement or alleged untrue statement of material fact or omission by such indemnifying party in this information statement, the registration statement on Form 10 of which this information statement forms a part or any other disclosure document.

Each party's aforementioned indemnification obligations will be uncapped; provided that the amount of each party's indemnification obligations will be subject to reduction by any insurance proceeds received by the party being indemnified. The Separation Agreement will also specify procedures with respect to claims subject to indemnification and related matters. Indemnification with respect to taxes will be governed by the tax matters agreement.

Legal Matters

Except as otherwise set forth in the Separation Agreement or any ancillary agreement (or as otherwise described above), each party to the Separation Agreement will assume the liability for, and may elect to control, all pending, threatened and future legal matters related to its own business or its assumed or retained liabilities and will indemnify the other party for any liability arising out of or resulting from such legal matters.

Insurance

Following the separation, we will be responsible for obtaining and maintaining at our own cost our own insurance coverage. Additionally, with respect to certain claims arising prior to the separation, we may seek coverage under HHH third-party insurance policies in effect prior to the separation to the extent that coverage may be available thereunder.

No Restriction on Competition

None of the provisions of the Separation Agreement includes any non-competition or other similar restrictive arrangements with respect to the range of business activities which may be conducted by either party.

No Hire and No Solicitation

Subject to customary exceptions, neither we nor HHH will, without the consent of the other party, solicit or hire an executive, officer or engineer of the other party or its subsidiaries for following the separation.

Dispute Resolution

If a dispute arises between us and HHH under the Separation Agreement, the parties will first seek to settle the matter amicably by negotiation in the normal course of business at the operational level for a 15-day period. If the parties are unable to resolve the dispute in such manner, executives of the parties will negotiate to resolve such dispute for an additional 30-day period. If the parties are unable to resolve the dispute in this manner then, unless otherwise agreed by the parties and except as otherwise set forth in the Separation Agreement, the dispute will be resolved through binding confidential arbitration.

Term/Termination

Prior to the effective time of the separation, HHH has the unilateral right to terminate or modify the terms of the Separation Agreement and related agreements. After the distribution, the term of the Separation Agreement is indefinite and it may only be terminated with the prior written consent of both HHH and us.

Separation Costs

All costs with respect to the separation incurred in connection with the transactions contemplated by the separation agreement will be borne , in accordance with the Separation Agreement, except as otherwise provided by the tax matters agreement.

Any costs or expenses incurred by a party for actions requested by the other party to vest in such party all of the transferring party's right, title and interest to the assets allocated to such party shall be borne by the requesting party.

Treatment of Intercompany Arrangements

Except as otherwise set forth in the Separation Agreement, upon completion of the separation, all intercompany balances, accounts and agreements between HHH or any subsidiary of HHH (other than us and our subsidiaries), on the one hand, and us or any of our subsidiaries, on the other hand, will be terminated.

Other Matters Governed by the Separation Agreement

Other matters governed by the Separation Agreement include, among others, confidentiality, access to and provision of records and treatment of outstanding guarantees and similar credit support.

Transition Services Agreement

We and HHH will enter into a transition services agreement that will be effective upon the distribution, pursuant to which HHH and its subsidiaries will provide to us and our subsidiaries, on an interim, transitional basis, certain services, including, but not limited to, information technology services, construction and development services, treasury services and human resources. The charges for the transition services are generally expected to allow HHH

to recover all internal and external costs and expenses it actually incurs in connection with providing the service without further markup and are calculated on a time and materials basis with pass-through of external costs.

The transition services will be provided in the manner and at a level substantially consistent with that which was provided to us in the 12 month period preceding the distribution date. The term for each of the transition services to be provided under the agreement will be set forth in the service schedules, and it is anticipated that all of the services will expire within 12 months following the distribution date. The transition services will also be terminable by the service provider in the event of an uncured payment default by the service recipient, or by either party in the event of an uncured material breach by the other party. We can generally terminate any particular service prior to the scheduled expiration date, subject to a minimum notice period of 30 days.

HHH will not be liable to us for claims under the transition services agreement except for those arising out of their gross negligence or willful misconduct. Neither us nor HHH will be liable for any special, indirect, incidental or consequential damages except those arising from the respective party's gross negligence or willful misconduct.

Employee Matters Agreement

Prior to the distribution, we and HHH will enter into an employee matters agreement in connection with the separation, which will allocate liabilities and responsibilities relating to employment matters, employee compensation and employee benefits plans and programs, and other related matters. Pursuant to the employee matters agreement, except as otherwise provided in the transition services agreement, from and after the effective time of the separation and distribution, HHH will assume or retain all liabilities with respect to all HHH employees and former employees and all HHH compensation and employee benefit plans and arrangements, and we will assume or retain all liabilities with respect to all Seaport Entertainment employees and all Seaport Entertainment compensation and employee benefit plans and arrangements.

Equity Award Treatment. Pursuant to the employee matters agreement, HHH equity-based incentive awards that are outstanding immediately prior to the distribution will be treated as follows in connection with the distribution. The number of shares subject to (and in the case of stock options, the exercise price of) each award will be adjusted in a manner intended to preserve the aggregate intrinsic value of each award immediately prior to the distribution.

- *Stock Options*. Effective as of the distribution, each outstanding stock option covering shares of HHH common stock will be converted into an option covering shares of HHH common stock and an option covering shares of Seaport Entertainment common stock.
- *Time-Based Restricted Stock*. Effective as of the distribution, each HHH time-based restricted stock award that is held by an employee or non-employee director of HHH will be converted into a restricted stock award covering shares of HHH common stock and each HHH time-based restricted stock award that is held by an employee of Seaport Entertainment will be converted into a restricted stock award covering shares of Seaport Entertainment common stock.
- *Performance-Based Restricted Stock*. Effective as of the distribution:
    - Each HHH performance-based restricted stock award which vests based on achievement of absolute or relative HHH total shareholder return will be converted into a time-based restricted stock award covering a number of shares of common stock of the holder's post-distribution employer, determined as of immediately prior to the effective time of the separation based on actual achievement of the performance metrics applicable to the award, and will continue to be subject to the original vesting period following the distribution based on the holder's continued service with his or her post-distribution employer.
    - Each HHH performance-based restricted stock award which vests based on achievement of HHH net asset value per share ("NAV") or adjusted NAV that is held by an HHH employee will be converted into an award covering shares of HHH common stock and will continue to be subject to the same terms and conditions following the effective time as applied to such award prior to the effective time of the separation, subject to adjustment of the applicable performance goals and/or performance calculation

methodology in order to reflect the separation. Each performance-based restricted stock award which vests based on achievement of HHH NAV or adjusted NAV that is held by a Seaport Entertainment employee will be converted into a time-based restricted stock award covering a number of shares of Seaport Entertainment common stock based on the original number of shares subject to the award at the time of grant and will continue to be subject to the original vesting period following the distribution based on the holder's continued service with Seaport Entertainment.

Cash Incentive Programs. In connection with the distribution, we will assume responsibility for cash bonus and incentive payments to our employees with respect to performance periods under HHH programs that are open as of the effective time of the separation and any unpaid amounts that such employees have earned under such programs prior to the distribution date.

Retirement, Health and Welfare Plans. In connection with the distribution, our employees will cease to participate in HHH's 401(k) plan as of the effective date of the separation, and we will establish a 401(k) plan for the benefit of Seaport Entertainment employees. Pursuant to the transition services agreement, Seaport Entertainment employees will continue to participate in HHH's health and welfare plans until December 31, 2024, subject to our reimbursement obligations to HHH thereunder. Following such transition period, we will establish and maintain health and welfare plans for the benefit of Seaport Entertainment employees.

Non-Qualified Deferred Compensation Plans. In connection with the distribution, our employees will cease to participate in the HHH non-qualified deferred compensation plan, and we will establish a deferred compensation plan for the benefit of Seaport Entertainment employees. The account balances of Seaport Entertainment employees as of the date of separation will be transferred from the HHH non-qualified deferred compensation plan to our non-qualified deferred compensation plan.

Termination. Prior to the effective time of the separation, HHH has the unilateral right to terminate or modify the terms of the employee matters agreement. After the distribution, the term of the employee matters agreement is indefinite and may only be terminated with the prior written consent of both HHH and us.

Tax Matters Agreement

Prior to the distribution, we and HHH will enter into a tax matters agreement that will govern our respective rights, responsibilities and obligations with respect to tax liabilities and benefits, tax attributes, the preparation and filing of tax returns, the control of audits and other tax proceedings and certain other matters regarding taxes.

In general, we will be responsible for all U.S. federal, state, local and foreign taxes (and any related interest, penalties or audit adjustments) that are attributable to us or our businesses for any tax period (or portion thereof) beginning after the distribution. In addition, we will be responsible for taxes incurred by HHH or us relating to or arising out of any failure of the intended tax treatment of the separation or distribution which failure is attributable to certain acts or omissions by us, inaccuracies, misrepresentations or misstatements relating to us or certain events involving our stock or assets, except that we will generally not bear any such taxes resulting from corporate-level taxable gain to HHH under Section 355(e) of the Code, which would be incurred if there is a 50% or greater change in ownership, by vote or value, of HHH stock, our stock or stock of a successor of either HHH or us occurring as part of a plan or series of related transactions that includes the distribution. HHH will be responsible for taxes incurred by HHH or us relating to or arising out of any failure of the intended tax treatment of the separation or distribution which failure is attributable to certain acts or omissions by HHH, inaccuracies, misrepresentations or misstatements relating to HHH or certain events involving HHH's stock or assets. Any other taxes incurred by HHH or us arising out of the separation and distribution, not described above, will generally be shared equally by HHH and us.

The tax matters agreement will require us to comply with the representations, covenants and agreements made to legal counsel in connection with the tax opinion HHH expects to receive regarding the intended tax treatment of the separation and distribution. The tax matters agreement will also restrict our ability to take or fail to take certain actions if such action or failure to act could adversely affect the intended tax treatment, other than as a result of the application of Section 355(e) of the Code. In particular, in the two years following the distribution, we may be restricted from, among other things, (i) ceasing to actively conduct certain of our businesses or (ii) disposing of more

than a threshold amount of assets used in our business, in each case, unless we obtain a waiver from HHH or receive a private letter ruling from the IRS or an unqualified opinion of a nationally recognized tax advisor that such action will not cause a failure of the intended tax treatment. Notwithstanding receipt of such ruling or opinion, in the event that such action causes a failure of the intended tax treatment, we could be responsible for taxes arising therefrom.

The tax matters agreement will also generally require us to provide notice to HHH in the event we enter into or become aware of certain transactions pursuant to which our equity would be issued or acquired in the two years following the distribution. To the extent we have a right to prohibit any such transaction and such transaction could reasonably be expected to result in corporate-level taxable gain to HHH under Section 355(e) of the Code, we will generally be required not to permit such transaction until we and HHH, working diligently and in good faith, have made commercially reasonable efforts to identify and effectuate alternatives to such transactions that could not reasonably be expected to materially adversely affect either HHH or us.

Our obligations under the tax matters agreement are not limited in amount or subject to any cap. Further, even if we are not responsible for tax liabilities of HHH under the tax matters agreement, we nonetheless could be liable under applicable tax law for such liabilities if HHH were to fail to pay them. If we are required to pay any liabilities under the circumstances set forth in the tax matters agreement or pursuant to applicable tax law, the amounts may be significant.

Revolving Credit Agreement

In connection with the distribution, we, as borrower, also expect to enter into a credit agreement with HHH, as lender (the "Revolving Credit Agreement"). The Revolving Credit Agreement is expected to provide for a revolving commitment of $5.0 million, with an interest rate of 10.0% and a term of 1 year (which may be extended for an additional 6 months at the discretion of HHH). Our obligations under the Revolving Credit Agreement will be unsecured. The Revolving Credit Agreement will provide for the mandatory prepayment of the revolving loans from the net proceeds of certain equity issuances and asset sales by Seaport Entertainment and its subsidiaries. The Revolving Credit Agreement will require Seaport Entertainment and certain of its subsidiaries to comply with a number of customary covenants, including limitations on our ability to pay dividends or make distributions; merge with or consolidate into other companies; amend or modify our governing documents and create, incur or suffer to exist certain liens. The Revolving Credit Agreement will include customary provisions relating to the occurrence of events of default, including default for failure to make interest payments if not cured within three business days and failure to comply with covenants if not cured within 30 days with respect to certain covenants. See also "Description of Certain Indebtedness—Revolving Credit Agreement."

Agreements with Pershing Square

Backstop Agreement

We are in serious discussions with Pershing Square, which is HHH's largest shareholder, regarding a potential backstop commitment for the Rights Offering. If that agreement is finalized, Pershing Square would agree to (i) exercise its pro rata subscription right with respect to the Rights Offering at a price of $25 per share of our common stock and (ii) purchase any shares not purchased upon the expiration of the Rights Offering at the Rights Offering price, up to $175 million in the aggregate.

The backstop agreement would contain customary closing conditions, including there having been no material adverse effect on our business. We would expect the obligations of Pershing Square under the backstop agreement to expire 90 days from the execution of such agreement. Additionally, although we do not expect to agree to pay Pershing Square a fee of consideration for providing any backstop commitment, we do expect to agree to reimburse Pershing Square for certain reasonable out of pocket expenses.

Investor Rights Agreement

In connection with the distribution, we expect to enter into an investor rights agreement with Pershing Square (the "Investor Rights Agreement"). The Investor Rights Agreement will provide Pershing Square with certain rights, including, under certain circumstances and subject to certain restrictions, rights with respect to the registration of its

shares of our common stock under the Securities Act, including customary demand and piggyback registration rights. For a description of these registration rights, see "Description of Capital Stock—Registration Rights" for additional information.

Pursuant to the Investor Rights Agreement, following the completion of our spin-off from HHH, Pershing Square will also have the right to nominate one individual to serve on our board of directors; however, if we increase the size of the board to larger than five directors, Pershing Square will have the right to nominate individuals representing at least 20% of the total number of directors. Our obligations under the provisions of the Investor Rights Agreement related to Pershing Square's nomination rights will terminate on the earlier of (i) the date on which Pershing Square no longer beneficially owns at least 10% of the total outstanding shares of our common stock and (ii) Pershing Square's irrevocable waiver and termination of such rights.

Procedures for Approval of Related Party Transactions

Our board of directors is expected to adopt a written policy on related party transactions (the "RPT Policy"). This policy was not in effect when we entered into the transactions described above. Each of the agreements between us and HHH and its subsidiaries that have been entered into prior to the distribution, and any transactions contemplated thereby, will be deemed to be approved and not subject to the terms of such policy.

As described in the Code of Conduct, conflicts of interest can arise when an employee's or a director's personal or family relationships, financial affairs, an outside business involvement or other private interest may adversely influence the judgment or loyalty required for performance of his or her duties to us. In cases where there is an actual or even the appearance of a conflict of interest, the individual involved is required to disclose such conflict to our General Counsel.

The RPT Policy, which will supplement the Code of Conduct provisions addressing conflicts of interest, will address our policy with respect to related party transactions. The RPT Policy will be administered by the Audit Committee. Under this policy, the Audit Committee will review certain financial transactions, arrangements and relationships between the Company and any of the following related parties to determine whether any such transaction, arrangement or relationship is a related party transaction:

- any director, director nominee or executive officer of the Company;
- any beneficial owner of more than 5% of the Company's outstanding stock; and
- any immediate family member of any of the foregoing.

No director may participate in any approval or ratification of a related party transaction in which the director or an immediate family member of the director is involved. The Audit Committee may only approve or ratify those transactions the Audit Committee determines to be in our best interests.

Any related party transaction previously approved or ratified by the Audit Committee or otherwise already existing that is ongoing in nature will be reviewed by the Audit Committee annually.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

Before the distribution, all of our outstanding shares of common stock will be owned beneficially and of record by HHH.

The following table sets forth information with respect to the expected beneficial ownership of our common stock immediately after the distribution by: (1) each person expected to beneficially own more than five percent of our common stock, (2) each expected director and NEO, and (3) all of our expected directors and executive officers as a group. The table does not give effect to the Rights Offering we expect to conduct. We based the share amounts on each person's beneficial ownership of HHH common stock as of , 2024, assuming a distribution ratio of one share of our common stock for every nine shares of common stock of HHH. Solely for the purposes of this table, we assumed that 5,582,637 shares of our common stock were issued and outstanding as of March 31, 2024 based on shares of HHH common stock outstanding as of such date and the distribution ratio. The actual number of shares of our common stock to be outstanding following the distribution will be determined on the record date for the distribution. Except as indicated, the address of each director and executive officer shown in the table below is c/o Seaport Entertainment Group Inc., 199 Water Street, 28th Floor New York, New York 10038.

	Common stock beneficially owned before the distribution		Common stock beneficially owned after the distribution	
Name and address of beneficial owner	**Number**	**%**	**Number**	**%**
5% Beneficial Owner				
Howard Hughes Holdings Inc.		100		
Pershing Square[(1)]	—	—		
Directors and Executive Officers				
Anton D. Nikodemus	—	—		
Matthew M. Partridge	—	—		
Lucy Fato	—	—		
Michael A. Crawford	—	—		
Monica S. Digilio	—	—		
David Z. Hirsh	—	—		
Anthony F. Massaro	—	—		
All directors and executive officers as a group (persons)				

(1) .

THE SEPARATION AND DISTRIBUTION

Background

On October 5, 2023, Howard Hughes announced its intention to separate its Seaport Entertainment business from the remainder of its businesses.

It is expected that the HHH Board, or a duly authorized committee thereof, will approve the distribution of 100% of our issued and outstanding shares of common stock on the basis of one share of our common stock for every nine shares of common stock of HHH held as of the close of business on the record date of , 2024.

On , 2024, the distribution date, each HHH stockholder will receive one share of our common stock for every nine shares of common stock of HHH held at the close of business on the record date for the distribution, as described below. HHH stockholders will receive cash in lieu of any fractional shares of our common stock that they would have received after application of this ratio. You will not be required to make any payment, surrender or exchange your shares of HHH common stock or take any other action to receive your shares of Seaport Entertainment common stock in the distribution. The distribution of our common stock as described in this information statement is subject to the satisfaction or waiver of certain conditions. For a more detailed description of these conditions, see this section under "—Conditions to the Distribution."

Reasons for the Separation

The HHH Board believes that separating its Seaport entertainment division from the remainder of HHH is in the best interests of HHH and its stockholders at this time for the following reasons:

- *Enhanced Strategic Focus.* Separating the Seaport Entertainment business into a standalone entity creates two separate companies, each focused on its distinct business strategy.
    - *Allows Howard Hughes to Focus on its Core Portfolio of Master Planned Communities*. HHH owns, manages, and develops commercial, residential, and mixed-use real estate throughout the U.S. It operates one of the nation's largest portfolios of MPCs spanning approximately 101,000 gross acres, including: The Woodlands®, Bridgeland®, and The Woodlands Hills® in the Greater Houston, Texas area; Summerlin® in the Greater Las Vegas, Nevada area; Ward Village® in Honolulu, Hawaii; and Teravalis™ in the Greater Phoenix, Arizona area.
    - *Allows Seaport Entertainment to Focus on Enhancing the Value of its Existing Portfolio and to Acquire Additional Assets with a Differentiated Investment Strategy*. Post separation, Seaport Entertainment will be able to focus on unlocking the inherent value embedded in its unique collection of assets positioned at the intersection of entertainment and real estate. In addition, Seaport Entertainment's focus on acquiring hospitality and entertainment related physical and/or operational assets across geographic markets in both mixed-use communities and bespoke one-off locations materially differs from that of HHH. The separation allows Seaport Entertainment to pursue such acquisition opportunities, which may not have been pursued while the Seaport Entertainment business was owned by HHH.
- *Growth Opportunities.* The separation of Seaport Entertainment from HHH allows each company to pursue attractive growth opportunities in areas that align with its respective core competencies. With a well-capitalized balance sheet and liquidity, Seaport Entertainment expects to have the financial flexibility to pursue its business plan and seek to expand its scalable platform across multiple verticals within the entertainment and hospitality industries.
- *Organizational Efficiency.* Separating the Seaport Entertainment business from the remainder of HHH provides both companies with dedicated and experienced management teams and other key personnel to drive enhanced efficiencies across the organization, coupled with dedicated focus and attention to their respective assets, which will better position both companies to achieve their financial and commercial goals.

- *Direct and More Efficient Access to the Capital Markets.* The separation provides Seaport Entertainment with direct access to the capital markets, as demonstrated by the expected Rights Offering post-separation. As a result, Seaport Entertainment will be able to more efficiently manage its capital structure in a manner more closely tailored to the company's business plan.

- *Clarity for the Investment Community.* Separating Seaport Entertainment from HHH provides existing and potential investors with greater transparency and better highlights the tailored investment opportunities presented by HHH and Seaport Entertainment. Over time, this should allow Seaport Entertainment ownership to shift to a shareholder base whose investment goals are more closely aligned with Seaport Entertainment's business.

- *Potential Value Creation.* Following the separation, Seaport Entertainment will be fully dedicated to realizing shareholder value through stabilizing its existing real estate portfolio, executing on its development pipeline, expanding of partnerships and pursuing strategic acquisitions that capitalize on industry trends. Similarly, the separation of entertainment-related assets from Howard Hughes will allow HHH to better focus on driving outsized performance within its core portfolio of MPCs.

- *Create Targeted Equity Currency.* Following the separation, each company's equity may be a much more attractive acquisition currency to related business owners seeking investment diversification and liquidity through a combination with Seaport Entertainment. Similarly, this targeted equity can be used for management incentive programs which should help Seaport Entertainment attract and retain talented employees seeking opportunities more closely aligned with Seaport Entertainment's business plan. In addition, management's and employees' incentive compensation in the form of Seaport Entertainment's equity will more directly align with Seaport Entertainment's performance. The incentives of management and employees will therefore be more closely aligned with the performance of Seaport Entertainment's business.

The HHH Board also considered certain aspects of the separation that may be adverse to us. Our common stock may come under initial selling pressure as certain HHH stockholders sell their shares in us because they are not interested in holding an investment in our business. Because we will no longer be part of HHH, the separation will also affect the terms upon which we can pursue cross-company business transactions and initiatives with HHH's other businesses. As a result of the separation, we will bear significant incremental costs associated with being a publicly-held company and will need to absorb certain corporate and operational support costs previously allocated to HHH.

The HHH Board concluded that the potential benefits of the separation outweighed these factors. See the section entitled "Risk Factors."

Formation of a New Company Prior to the Distribution

We were incorporated in Delaware on January 24, 2024 for the purpose of holding HHH's Seaport Entertainment business. As part of the plan to separate these businesses from the remainder of its businesses, HHH plans to transfer the equity interests of certain entities that operate the Seaport Entertainment business and its assets and liabilities to us, as well as certain other assets and liabilities, as set forth in the Separation Agreement.

When and How You Will Receive the Distribution

With the assistance of Computershare, HHH expects to distribute shares of our common stock on , 2024, the distribution date, to all holders of outstanding shares of common stock of HHH as of the close of business on , 2024, the record date for the distribution. Computershare, which currently serves as the transfer agent and registrar for common stock of HHH, will serve as the settlement and distribution agent in connection with the distribution and the transfer agent and registrar for our common stock.

If you own shares of common stock of HHH as of the close of business on the record date for the distribution, shares of our common stock that you are entitled to receive in the distribution will be issued electronically, as of the distribution date, to you in direct registration form or to your bank or brokerage firm on your behalf. If you are a

registered holder, Computershare will then mail you a direct registration account statement that reflects your shares of Seaport Entertainment common stock. If you hold your HHH common stock through a bank or brokerage firm, your bank or brokerage firm will credit your account for the Seaport Entertainment shares. Direct registration form refers to a method of recording share ownership when no physical share certificates are issued to stockholders, as is the case in the distribution. If you sell shares of HHH common stock in the "regular-way" market up to and including the distribution date, you will be selling your right to receive shares of our common stock in the distribution.

Commencing on or shortly after the distribution date, if you hold physical share certificates that represent your shares of HHH common stock and you are the registered holder of the common stock represented by those certificates, the distribution agent will mail to you an account statement that indicates the number of shares of our common stock that have been registered in book-entry form in your name.

Most HHH stockholders hold their common stock through a bank or brokerage firm. In such cases, the bank or brokerage firm would be said to hold the common stock in "street name" and ownership would be recorded on the bank or brokerage firm's books. If you hold your shares of HHH common stock through a bank or brokerage firm, your bank or brokerage firm will credit your account for shares of our common stock that you are entitled to receive in the distribution. If you have any questions concerning the mechanics of having shares held in "street name," please contact your bank or brokerage firm.

Transferability of Common Stock You Receive

Shares of our common stock distributed to holders in connection with the distribution will be transferable without registration under the Securities Act, except for shares of common stock received by persons who may be deemed to be our affiliates. Persons who may be deemed to be our affiliates after the distribution generally include individuals or entities that control, are controlled by or are under common control with the Company which may include certain Company executive officers, directors or principal stockholders. Securities held by our affiliates will be subject to resale restrictions under the Securities Act. Our affiliates will be permitted to sell shares of our common stock only pursuant to an effective registration statement or an exemption from the registration requirements of the Securities Act, such as the exemption afforded by Rule 144 under the Securities Act.

Number of Shares of Our Common Stock You Will Receive

For every nine shares of common stock of HHH that you own at the close of business on , 2024, the record date for the distribution, you will receive one share of our common stock on the distribution date. HHH will not distribute any of fractional shares of our common stock to its stockholders. Instead, if you are a registered holder, Computershare will aggregate fractional shares of common stock into whole shares of common stock, sell the whole shares of common stock in the open market at prevailing market prices and distribute the aggregate cash proceeds (net of discounts and commissions) of the sales pro rata (based on the fractional common share such holder would otherwise be entitled to receive) to each holder who otherwise would have been entitled to receive a fractional common share in the distribution. Computershare, in its sole discretion, without any influence by HHH or us, will determine when, how, through which broker-dealer and at what price to sell the whole shares of common stock. Any broker-dealer used by the transfer agent will not be an affiliate of either HHH or us. Neither we nor HHH will be able to guarantee any minimum sale price in connection with the sale of these shares of common stock. Recipients of cash in lieu of fractional shares of common stock will not be entitled to any interest on the amounts of payment made in lieu of fractional shares of common stock.

We estimate that it will take approximately from the distribution date for the distribution agent to complete the distributions of the aggregate net cash proceeds. If you hold your shares of HHH common stock through a bank or brokerage firm, your bank or brokerage firm will receive, on your behalf, your pro rata share of the aggregate net cash proceeds of the sales and will electronically credit your account for your share of such proceeds.

Results of the Distribution

After our separation from HHH, we will be an independent, publicly traded company. The actual number of shares of common stock to be distributed will be determined at the close of business on , 2024, the record date for the distribution. The distribution will not affect the number of outstanding shares of HHH common stock or any rights of HHH stockholders. HHH will not distribute any of our fractional shares of common stock.

We will enter into a separation agreement and other related agreements with HHH to effect the separation and provide a framework for our relationship with HHH after the separation. These agreements provide for the allocation between HHH and us of the assets, liabilities and obligations (including their respective investments, property and employee benefits and tax-related assets and liabilities) of HHH and its subsidiaries attributable to periods prior to, at and after our separation from HHH and will govern certain relationships between HHH and us after the separation. For a more detailed description of these agreements, please refer to the section entitled "Certain Relationships and Related Party Transactions."

Market for Our Common Stock

There is currently no public trading market for our common stock. We intend to apply to list our common stock on the NYSE under the symbol "SEG." We have not and will not set the initial price of our common stock. The initial price will be established by the public markets.

We cannot predict the price at which our common stock will trade after the distribution. In fact, the combined trading prices of one share of common stock of HHH and one-ninth share of our common stock after the distribution (representing the number of shares of our common stock to be received per one share of HHH common stock in the distribution) may not equal the "regular-way" trading price of a share of HHH common stock immediately prior to the distribution. The price at which our common stock trades may fluctuate significantly, particularly until an orderly public market develops. Trading prices for our common stock will be determined in the public markets and may be influenced by many factors.

Trading Between the Record Date and Distribution Date

Beginning shortly before the distribution date and continuing up to the distribution date, HHH expects that there will be two markets in common stock of HHH: a "regular-way" market and an "ex-distribution" market. Common stock of HHH that trades on the "regular-way" market will trade with an entitlement to our common stock distributed pursuant to the separation. Common stock of HHH that trades on the "ex-distribution" market will trade without an entitlement to our common stock distributed pursuant to the distribution. Therefore, if you sell common stock of HHH in the "regular-way" market up to and including through the distribution date, you will be selling your right to receive our common stock in the distribution. If you own common stock of HHH at the close of business on the record date and sell that common stock on the "ex-distribution" market up to and including through the distribution date, you will receive the Seaport Entertainment common stock that you are entitled to receive pursuant to your ownership as of the record date of the common stock of HHH.

Furthermore, beginning shortly before the distribution date and continuing up to the distribution date, we expect that there will be a "when-issued" market in our common stock. "When-issued" trading refers to a sale or purchase made conditionally because the security has been authorized but not yet issued. The "when-issued" trading market will be a market for our common stock that will be distributed to holders of common stock of HHH on the distribution date. If you owned common stock of HHH at the close of business on the record date for the distribution, you would be entitled to our common stock distributed pursuant to the distribution. You may trade this entitlement to our common stock, without the common stock of HHH you own, on the "when-issued" market. On the first trading day following the distribution date, "when-issued" trading with respect to our common stock will end, and "regular-way" trading will begin.

"Ex-distribution" and "when-issued" trades are generally settled shortly after the distribution date, but if HHH determines not to proceed with the distribution following the initiation of the "ex-distribution" and "when-issued" trading markets, trades in the "ex-distribution" and "when-issued" trading markets will be cancelled and, therefore, will not be settled.

Conditions to the Distribution

The distribution will be effective at on , 2024, the distribution date, provided that the following conditions will have been satisfied (or waived by HHH in its sole discretion):

- the transfer of assets and liabilities to us in accordance with the Separation Agreement will have been completed, other than assets and liabilities intended to transfer after the distribution;
- HHH will have received an opinion of Latham & Watkins LLP, tax counsel to HHH, regarding the qualification of the distribution as a distribution under Section 355 of the Code;
- the SEC will have declared effective the registration statement on Form 10 of which this information statement forms a part, no stop order suspending the effectiveness of the registration statement will be in effect, no proceedings for such purpose will be pending before or threatened by the SEC and this information statement (or a Notice of Internet Availability) will have been mailed to HHH stockholders;
- all actions and filings necessary or appropriate under applicable U.S. federal, U.S. state or other securities laws will have been taken and, where applicable, will have become effective or been accepted by the applicable governmental authority;
- the transaction agreements relating to the separation will have been duly executed and delivered by the parties;
- the Rights Offering backstop agreement with Pershing Square will have been duly executed and delivered by the parties thereto;
- no order, injunction or decree issued by any court of competent jurisdiction or other legal restraint or prohibition preventing the consummation of the separation, the distribution or any of the related transactions will be in effect;
- our common stock to be distributed will have been approved and accepted for listing on the NYSE, subject to official notice of distribution;
- HHH will have entered into a distribution agent agreement with, or provided instructions regarding the distribution to, Computershare as distribution agent;
- all material governmental approvals necessary to consummate the distribution and to permit the operation of our business after the separation substantially as it is currently conducted will have been obtained; and
- no event or development will have occurred or exist that, in the judgment of the HHH Board, in its sole discretion, makes it inadvisable to effect the separation, the distribution or the other related transactions.

The satisfaction of the foregoing conditions does not create any obligations on HHH's part to effect the separation, and the HHH Board has reserved the right, in its sole discretion, to abandon, modify or change the terms of the separation, including by accelerating or delaying the timing of the consummation of all or part of the separation, at any time prior to the distribution date. To the extent that the HHH Board determines that any modifications by HHH materially change the material terms of the distribution, HHH will notify HHH stockholders in a manner reasonably calculated to inform them about the modification as may be required by law. HHH may also waive any or all of these conditions in its sole discretion and proceed with the distribution even if such conditions have not been met. If the distribution is completed and the HHH Board waived any such condition, such waiver could have a material adverse effect on (i) HHH's and Seaport Entertainment's respective business, financial condition or results of operations, (ii) the trading price of shares of Seaport Entertainment common stock or (iii) the ability of stockholders to sell their Seaport Entertainment stock after the distribution, including, without limitation, as a result of (a) illiquid trading if shares of Seaport Entertainment common stock are not accepted for listing or (b) litigation relating to any injunctions sought to prevent the consummation of the distribution. If HHH elects to proceed with the distribution, notwithstanding that one or more of the conditions to the distribution has not been

met, HHH will evaluate the applicable facts and circumstances at that time and make such additional disclosure and take such other actions as HHH determines to be necessary and appropriate in accordance with applicable law.

MATERIAL U.S. FEDERAL INCOME TAX CONSEQUENCES OF THE DISTRIBUTION TO U.S. HOLDERS

The following is a summary of the material U.S. federal income tax consequences of the distribution to HHH common stockholders that are U.S. Holders (as defined below). This summary is based on the Code, the Treasury Regulations promulgated thereunder, judicial decisions, and published rulings and administrative pronouncements of the IRS, in each case as of the date of this information statement. These authorities may change or be subject to differing interpretations. Any such change or differing interpretation may be applied retroactively in a manner that could adversely affect a U.S. Holder. There can be no assurance that the IRS or a court will not take a contrary position to that discussed below.

For purposes of this discussion, a "U.S. Holder" is a beneficial owner of common stock of HHH that, for U.S. federal income tax purposes, is or is treated as:

- an individual who is a citizen or resident of the United States;
- a corporation created or organized in or under the laws of the United States, any state thereof or the District of Columbia;
- an estate the income of which is subject to U.S. federal income taxation regardless of its source; or
- a trust that (1) is subject to the primary supervision of a U.S. court and the control of one or more United States persons (within the meaning of Section 7701(a)(30) of the Code), or (2) has a valid election in effect under applicable Treasury Regulations to be treated as a United States person for U.S. federal income tax purposes.

This summary is limited to U.S. Holders who hold common stock of HHH as a "capital asset" within the meaning of Section 1221 of the Code (generally, property held for investment). This summary does not address all U.S. federal income tax consequences relevant to a U.S. Holder's particular circumstances, including the impact of the Medicare contribution tax on net investment income and the alternative minimum tax. In addition, it does not address consequences relevant to U.S. Holders subject to special rules, including, without limitation:

- U.S. expatriates and former citizens or long-term residents of the United States;
- dealers or brokers in securities, commodities or currencies;
- tax-exempt organizations;
- banks, insurance companies or other financial institutions;
- mutual funds;
- regulated investment companies and real estate investment trusts;
- corporations that accumulate earnings to avoid U.S. federal income tax;
- holders who hold shares of HHH common stock in individual retirement or other tax-deferred accounts;
- holders who acquired common stock of HHH pursuant to the exercise of stock options, the settlement of restricted stock units or otherwise as compensation;
- holders who own, or are deemed to own, 10% or more of the common stock of HHH by vote or value;
- holders who hold common stock of HHH as part of a hedge, appreciated financial position, straddle, constructive sale, conversion transaction or other risk reduction transaction;
- traders in securities who elect to apply a mark-to-market method of accounting;
- holders who have a functional currency other than the U.S. dollar;

- holders subject to special tax accounting rules as a result of any item of gross income with respect to common stock of HHH being taken into account in an applicable financial statement; or

- partnerships or other pass-through entities or investors in such entities.

If an entity or arrangement treated as a partnership for U.S. federal income tax purposes holds common stock of HHH, the tax treatment of a partner in the partnership will depend on the status of the partner, the activities of the partnership and certain determinations made at the partner level. Accordingly, partnerships holding common stock of HHH and the partners in such partnerships should consult their tax advisors regarding the U.S. federal income tax consequences to them.

THE FOLLOWING IS A SUMMARY OF THE MATERIAL U.S. FEDERAL INCOME TAX CONSEQUENCES OF THE DISTRIBUTION TO U.S. HOLDERS UNDER CURRENT LAW. THE FOLLOWING DOES NOT PURPORT TO ADDRESS ALL U.S. FEDERAL INCOME TAX CONSEQUENCES OR TAX CONSEQUENCES THAT MAY ARISE UNDER OTHER TAX LAWS. EACH HHH STOCKHOLDER IS ENCOURAGED TO CONSULT ITS TAX ADVISOR AS TO THE PARTICULAR TAX CONSEQUENCES OF THE DISTRIBUTION TO SUCH STOCKHOLDER, INCLUDING THE APPLICATION OF U.S. FEDERAL, STATE, LOCAL AND NON-U.S. TAX LAWS, AND THE EFFECT OF POSSIBLE CHANGES IN APPLICABLE TAX LAWS.

U.S. Federal Income Tax Consequences of the Distribution to U.S. Holders Who Receive Common Stock of Seaport Entertainment

The distribution is conditioned upon, among other things, HHH's receipt of an opinion of tax counsel regarding the qualification of the distribution as a distribution under Section 355 of the Code, although HHH may waive this condition in its sole discretion. The opinion of tax counsel will be based on certain factual assumptions and representations and subject to qualifications and limitations. If the distribution qualifies as such a reorganization, then for U.S. federal income tax purposes:

- no gain or loss will be recognized by, or be includible in the income of, a U.S. Holder solely as a result of the receipt of common stock of Seaport Entertainment in the distribution;

- the aggregate tax basis of the common stock of HHH and common stock of Seaport Entertainment in the hands of a U.S. Holder immediately after the distribution will be the same as the aggregate tax basis of the common stock of HHH held by the holder immediately before the distribution, allocated between the common stock of HHH and common stock of Seaport Entertainment, including any fractional share interest for which cash is received, in proportion to their relative fair market values;

- the holding period with respect to common stock of Seaport Entertainment received by a U.S. Holder will include the holding period of its common stock of HHH; and

- a U.S. Holder who receives cash in lieu of a fractional common share of Seaport Entertainment in the distribution will be treated as having sold such fractional common share for cash and generally will recognize capital gain or loss in an amount equal to the difference between the amount of cash received and such holder's adjusted tax basis in the fractional common share. That gain or loss will be long-term capital gain or loss if the holder's holding period for its common stock of HHH exceeds one year.

Treasury Regulations generally provide that if a U.S. Holder holds different blocks of common stock of HHH (generally common stock of HHH purchased or acquired on different dates or at different prices), the aggregate basis for each block of common stock of HHH purchased or acquired on the same date and at the same price will be allocated, to the greatest extent possible, between the common stock of Seaport Entertainment received in the distribution in respect of such block of common stock of HHH and such block of common stock of HHH, in proportion to their respective fair market values, and the holding period of the common stock of Seaport Entertainment received in the distribution in respect of such block of common stock of HHH will include the holding period of such block of common stock of HHH, provided that such block of common stock of HHH was held as a capital asset on the date of the distribution. If a U.S. Holder is not able to identify which particular shares

of common stock of Seaport Entertainment are received in the distribution with respect to a particular block of common stock of HHH, for purposes of applying the rules described above, the U.S. Holder may designate which shares of common stock of Seaport Entertainment are received in the distribution in respect of a particular block of common stock of HHH, provided that such designation is consistent with the terms of the distribution. Holders of common stock of HHH are encouraged to consult their tax advisors regarding the application of these rules to their particular circumstances.

The opinion HHH expects to receive from Latham & Watkins LLP will be based on, among other things, certain factual assumptions, representations and undertakings from HHH and us, including those regarding the past and future conduct of the companies' respective businesses and other matters. If any of these factual assumptions, representations, or undertakings are incorrect or not satisfied, HHH may not be able to rely on the opinion. In addition, the opinion will not be binding on the IRS or the courts.

If, notwithstanding the conclusions in the opinion, the distribution is ultimately determined not to qualify as a distribution under Section 355 of the Code, each U.S. Holder who receives common stock of Seaport Entertainment in the distribution would be treated as receiving a potentially taxable distribution in an amount equal to the fair market value of the common stock of Seaport Entertainment that was distributed to the U.S. Holder. Specifically, the full value of the common stock of Seaport Entertainment distributed to a U.S. Holder generally would be treated first as a taxable dividend to the extent of the U.S. Holder's pro rata share of HHH's current and accumulated earnings and profits, then as a non-taxable return of capital to the extent of the U.S. Holder's basis in the common stock of HHH, and finally as capital gain from the sale or exchange of common stock of HHH with respect to any remaining value.

Information Reporting and Backup Withholding

U.S. Treasury regulations require certain stockholders who receive stock in a distribution to attach to their U.S. federal income tax return for the year in which the distribution occurs a detailed statement setting forth certain information relating to the tax-free nature of the distribution. In addition, payments of cash to a HHH stockholder in lieu of fractional common stock of Seaport Entertainment in the distribution may be subject to information reporting and backup withholding. Certain U.S. Holders are exempt from backup withholding, including corporations and certain tax-exempt organizations. A U.S. Holder will be subject to backup withholding if such holder is not otherwise exempt and:

- the U.S. Holder fails to furnish the U.S. Holder's taxpayer identification number, which for an individual is ordinarily his or her social security number;
- the U.S. Holder furnishes an incorrect taxpayer identification number;
- the applicable withholding agent is notified by the IRS that the U.S. Holder previously failed to properly report payments of interest or dividends; or
- the U.S. Holder fails to certify under penalties of perjury that the U.S. Holder has furnished a correct taxpayer identification number and that the IRS has not notified the U.S. Holder that the U.S. Holder is subject to backup withholding.

Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules may be allowed as a refund or a credit against a U.S. Holder's U.S. federal income tax liability, provided the required information is timely furnished to the IRS. U.S. Holders should consult their tax advisors regarding their qualification for an exemption from backup withholding and the procedures for obtaining such an exemption.

Additional Withholding Tax on Payments Made to Foreign Accounts

Withholding taxes may be imposed under Sections 1471 to 1474 of the Code (such sections commonly referred to as the Foreign Account Tax Compliance Act ("FATCA")) on certain types of payments made to non-U.S. financial institutions and certain other non-U.S. entities. Specifically, a 30% withholding tax may be imposed on dividends on, or (subject to the proposed Treasury Regulations discussed below) gross proceeds from the sale or

other disposition of, our common stock paid to a "foreign financial institution" or a "non-financial foreign entity" (each as defined in the Code), unless (1) the foreign financial institution undertakes certain diligence and reporting obligations, (2) the non-financial foreign entity either certifies it does not have any "substantial United States owners" (as defined in the Code) or furnishes identifying information regarding each substantial United States owner, or (3) the foreign financial institution or non-financial foreign entity otherwise qualifies for an exemption from these rules. If the payee is a foreign financial institution and is subject to the diligence and reporting requirements in (1) above, it must enter into an agreement with the U.S. Department of the Treasury requiring, among other things, that it undertake to identify accounts held by certain "specified United States persons" or "United States owned foreign entities" (each as defined in the Code), annually report certain information about such accounts, and withhold 30% on certain payments to non-compliant foreign financial institutions and certain other account holders. Foreign financial institutions located in jurisdictions that have an intergovernmental agreement with the United States governing FATCA may be subject to different rules.

Under the applicable Treasury Regulations and administrative guidance, withholding under FATCA generally applies to payments of dividends on common stock of HHH. While withholding under FATCA would have applied also to payments of gross proceeds from the sale or other disposition of stock on or after January 1, 2019, proposed Treasury Regulations eliminate FATCA withholding on payments of gross proceeds entirely. Taxpayers generally may rely on these proposed Treasury Regulations until final Treasury Regulations are issued.

U.S. Holders should consult their tax advisors regarding the potential application of withholding under FATCA to the distribution.

DESCRIPTION OF CERTAIN INDEBTEDNESS

The following is a summary of the terms of our principal indebtedness. It does not purport to be complete and is subject to, and qualified in its entirety by reference to, the underlying documents.

250 Water Street Term Loan and Total Return Swap

On September 7, 2023, our subsidiary 250 Seaport District, LLC ("250 Water Street Borrower," then a subsidiary of HHH), the fee owner of 250 Water Street, entered into a term loan agreement (the "Existing 250 Water Street Term Loan") with Mizuho Capital Markets ("MCM"), as agent, and certain lenders. The Existing 250 Water Street Term Loan is a variable rate term loan secured by, among other things, a mortgage encumbering, and a security interest in the operating cash flow of, 250 Water Street. In connection with the Existing 250 Water Street Term Loan, TWL-Bridgeland Holding Company, LLC ("TWL-Bridgeland"), the guarantor of 250 Water Street Borrower's obligations under the Existing 250 Water Street Term Loan, entered into a total return swap with MCM to provide credit support for the 250 Water Street Borrower's obligations under the Existing 250 Water Street Term Loan. Prior to the distribution, we expect to cause 250 Water Street Borrower to enter into certain agreements (collectively, the "Refinanced 250 Water Street Term Loan") with MCM pursuant to which we will refinance the Existing 250 Water Street Term Loan to reduce our outstanding indebtedness and provide us with greater financial flexibility. In connection with the Refinanced 250 Water Street Term Loan, Seaport Entertainment Group Inc. will enter into a total return swap with MCM to provide credit support for the 250 Water Street Borrower's obligations under the Refinanced 250 Water Street Term Loan (the "250 Water Street TRS"), and Seaport Entertainment Group Inc.'s obligations under such total return swap will in turn be supported by a guaranty provided by TWL-Bridgeland. Following such refinancing, MCM will continue to have (a) the same security for the Refinanced 250 Water Street Term Loan as it had for the Existing 250 Water Street Term Loan and (b) additional security in the form of a full backstop guaranty provided by TWL-Bridgeland, a subsidiary of HHH, for the benefit of MCM. In consideration of TWL-Bridgeland providing such guarantee, TWL-Bridgeland will be paid an annual guaranty fee of $ in monthly installments. The Refinanced 250 Water Street Term Loan is expected to be a variable rate term loan in the initial principal amount of $61.3 million, with an interest rate of 4.5% plus the current SOFR, and will mature on , 2029.

Under the Refinanced 250 Water Street Term Loan, we will be required to comply with various collateral maintenance and financial covenants, including with respect to a specified net loan-to-value ratio, which we will be required to calculate on a quarterly basis. The Refinanced 250 Water Street Term Loan will also require us to comply with a number of customary covenants, including covenants related to non-occurrence of regulatory events, acts of bankruptcy, material changes to the security, and other customary covenants and related provisions. HHH expects the refinancing of the Existing 250 Water Street Term Loan to be completed and for the Refinanced 250 Water Street Term Loan to be in effect prior to the distribution.

Las Vegas Ballpark Deed of Trust

On July 20, 2018, in order to finance the Las Vegas Ballpark, Clark County Las Vegas Stadium, LLC ("CCLVS"), then a subsidiary of HHH, entered into a Note Purchase Agreement pursuant to which it issued a 4.92% senior secured note to Wells Fargo Trust Company, National Association, as trustee, in the principal amount of $51.2 million (the "Las Vegas Note Purchase Agreement"). The Las Vegas Note Purchase Agreement is secured by a deed of trust (the "Las Vegas Ballpark Deed of Trust"). The Las Vegas Note Purchase Agreement is secured by, among other things, a lien on the Las Vegas Ballpark pursuant to the Las Vegas Ballpark Deed of Trust and certain of CCLVS's interests in agreements related to the Las Vegas Ballpark.

The Las Vegas Ballpark Deed of Trust includes customary provisions relating to the occurrence of events of default, including payment default on the note if not cured within 5 days, failure to comply with certain covenants, CCLVS's default on certain of our other agreements, if the Aviators relocate their home games to a facility outside of Las Vegas, and if CCLVS assigns, pledges or otherwise grants a security interest in the property secured by the Las Vegas Ballpark Deed of Trust.

Under the Las Vegas Ballpark Deed of Trust, CCLVS is also subject to certain covenants limiting, among other things, CCLVS's ability to incur or guaranty additional indebtedness; pay dividends or make distributions that

would cause an event of default; lease, sell or transfer the secured property; initiate bankruptcy or insolvency hearings; sell certain assets or merge with or consolidate into other companies; amend or modify its governing documents; create, organize or establish any subsidiary; combine with or merge with another entity; and create, incur or suffer to exist certain liens.

The Las Vegas Ballpark Mortgage matures on December 15, 2039. As of December 31, 2023, the Las Vegas Ballpark Deed of Trust had an aggregate principal amount of $43.0 million.

HHH currently guarantees the Las Vegas Ballpark Deed of Trust pursuant to an indemnity and guaranty agreement. Prior to the distribution, we intend to enter into a replacement indemnity and guaranty agreement pursuant to which we will replace HHH as guarantor of the Las Vegas Ballpark Deed of Trust pursuant to an agreement that we expect will contain substantially the same terms as the existing indemnity and guaranty agreement.

Revolving Credit Agreement

In connection with the spin-off from HHH, we, as borrower, expect to enter into the Revolving Credit Agreement with HHH, as lender. The Revolving Credit Agreement is expected to provide for a revolving commitment of $5.0 million, with an interest rate of 10.0% and a term of 1 year (which may be extended for an additional 6 months at the discretion of HHH). Our obligations under the Revolving Credit Agreement will be unsecured. The Revolving Credit Agreement will provide for the mandatory prepayment of the revolving loans from the net proceeds of certain equity issuances and asset sales by Seaport Entertainment and its subsidiaries. The Revolving Credit Agreement will require Seaport Entertainment and certain of its subsidiaries to comply with a number of customary covenants, including limitations on our ability to pay dividends or make distributions; merge with or consolidate into other companies; amend or modify our governing documents and create, incur or suffer to exist certain liens. The Revolving Credit Agreement will include customary provisions relating to the occurrence of events of default, including default for failure to make interest payments if not cured within three business days and failure to comply with covenants if not cured within 30 days with respect to certain covenants.

DESCRIPTION OF CAPITAL STOCK

In connection with the distribution, we will amend and restate our certificate of incorporation and our bylaws. The following is a description of the material terms of, and is qualified in its entirety by, our Certificate of Incorporation and our Bylaws, each of which will be in effect upon the consummation of the distribution, the forms of which will be filed as exhibits to the registration statement of which this information statement forms a part. Because this is only a summary, it may not contain all the information that is important to you.

Authorized Capital Stock

Under the Certificate of Incorporation, the Company's authorized capital stock will consist of shares of common stock and shares of preferred stock.

Common Stock

Holders of the Company's common stock will be entitled to:

Voting Rights

Each share of common stock will be entitled to one vote on all matters submitted to a vote of stockholders. Holders of common stock will not have cumulative voting rights.

Dividend Rights

Subject to any preferential rights of any outstanding preferred stock, holders of our common stock will be entitled to receive ratably the dividends, if any, as may be declared from time to time by our board of directors out of funds legally available for that purpose.

Liquidation Rights

If there is a liquidation, dissolution or winding up of our Company, holders of our common stock would be entitled to ratable distribution of our assets remaining after the payment in full of liabilities and any preferential rights of any outstanding preferred stock.

Other Rights and Preferences

There will be no preemptive or conversion rights or other subscription rights, and there will be no redemption or sinking fund provisions applicable to the common stock. The rights, preferences and privileges of the holders of our common stock will be subject to, and may be adversely affected by, the rights of the holders of shares of any series of preferred stock that we may designate and issue in the future. There will be no provisions in our Certificate of Incorporation or Bylaws discriminating against a stockholder because of his or her ownership of a particular number of shares.

Preferred Stock

Under our Certificate of Incorporation, our board of directors will be authorized to issue "blank check" preferred stock, which may be issued in one or more series upon authorization of our board of directors. Our board of directors will be authorized to fix the designation of the series, the number of authorized shares of the series, dividend rights and terms, conversion rights, voting rights, redemption rights and terms, liquidation preferences and any other rights, powers, preferences and limitations applicable to each series of preferred stock. The authorized shares of our preferred stock will be available for issuance without further action by our stockholders, unless such action is required by applicable law or the rules of any stock exchange on which our securities may be listed. If the approval of our stockholders is not required for the issuance of shares of our preferred stock, our board may determine not to seek stockholder approval.

A series of our preferred stock could, depending on the terms of such series, impede the completion of a merger, tender offer or other takeover attempt. Our board of directors will make any determination to issue such shares based upon its judgment as to the best interests of our stockholders. Our directors, in so acting, could issue preferred stock

having terms that could discourage an acquisition attempt through which an acquirer may be able to change the composition of our board of directors, including a tender offer or other transaction that some, or a majority, of our stockholders might believe to be in their best interests or in which stockholders might receive a premium for their stock over the then-current market price of the stock.

The preferred stock will, when issued, be fully paid and nonassessable. Unless otherwise specified, each series of preferred stock will rank equally as to dividends and liquidation rights in all respects with each other series of preferred stock. The rights of holders of shares of each series of preferred stock will be subordinate to those of our general creditors.

We may, at our option, with respect to any series of preferred stock, elect to offer fractional interests in shares of preferred stock, and provide for the issuance of depositary receipts representing depositary shares, each of which will represent a fractional interest in a share of the series of preferred stock. The fractional interest will be specified in the prospectus supplement relating to a particular series of preferred stock.

Rank

Unless otherwise specified in the prospectus supplement, the preferred stock will, with respect to dividend rights and rights upon our liquidation, dissolution or winding up of its affairs, rank:

- senior to our common stock and to all equity securities ranking junior to such preferred stock with respect to dividend rights or rights upon our liquidation, dissolution or winding up of our affairs;
- on a parity with all equity securities issued by us, the terms of which specifically provide that such equity securities rank on a parity with the preferred stock with respect to dividend rights or rights upon our liquidation, dissolution or winding up of our affairs; and
- junior to all equity securities issued by us, the terms of which specifically provide that such equity securities rank senior to the preferred stock with respect to dividend rights or rights upon our liquidation, dissolution or winding up of our affairs.

Dividends

Holders of the preferred stock of each series will be entitled to receive, when, as and if declared by our board of directors, cash dividends at such rates and on such dates described in the prospectus supplement. Different series of preferred stock may be entitled to dividends at different rates or based on different methods of calculation. The dividend rate may be fixed or variable or both. Dividends will be payable to the holders of record as they appear on our stock books on record dates fixed by our board of directors, as specified in the applicable prospectus supplement.

Dividends on any series of preferred stock may be cumulative or noncumulative, as described in the applicable prospectus supplement. If our board of directors does not declare a dividend payable on a dividend payment date on any series of noncumulative preferred stock, then the holders of that noncumulative preferred stock will have no right to receive a dividend for that dividend payment date, and we will have no obligation to pay the dividend accrued for that period, whether or not dividends on that series are declared payable on any future dividend payment dates. Dividends on any series of cumulative preferred stock will accrue from the date we initially issue shares of such series or such other date specified in the applicable prospectus supplement.

No dividends may be declared or paid or funds set apart for the payment of any dividends on any parity securities unless full dividends have been paid or set apart for payment on the preferred stock. If full dividends are not paid, the preferred stock will share dividends pro rata with the parity securities.

No dividends may be declared or paid or funds set apart for the payment of dividends on any junior securities unless full dividends for all dividend periods terminating on or prior to the date of the declaration or payment will have been paid or declared and a sum sufficient for the payment set apart for payment on the preferred stock.

Liquidation Preference

Upon any voluntary or involuntary liquidation, dissolution or winding up of our affairs, before we make any distribution or payment to the holders of any common stock or any other class or series of our capital stock ranking junior to the preferred stock in the distribution of assets upon any liquidation, dissolution or winding up of our affairs, the holders of each series of preferred stock will be entitled to receive out of assets legally available for distribution to stockholders, liquidating distributions in the amount of the liquidation preference per share set forth in the prospectus supplement, plus any accrued and unpaid dividends thereon. Such dividends will not include any accumulation in respect of unpaid noncumulative dividends for prior dividend periods. Unless otherwise specified in the prospectus supplement, after payment of the full amount of their liquidating distributions, the holders of preferred stock will have no right or claim to any of our remaining assets. Upon any such voluntary or involuntary liquidation, dissolution or winding up, if our available assets are insufficient to pay the amount of the liquidating distributions on all outstanding preferred stock and the corresponding amounts payable on all other classes or series of our capital stock ranking on parity with the preferred stock and all other such classes or series of shares of capital stock ranking on parity with the preferred stock in the distribution of assets, then the holders of the preferred stock and all other such classes or series of capital stock will share ratably in any such distribution of assets in proportion to the full liquidating distributions to which they would otherwise be entitled.

Upon any such liquidation, dissolution or winding up and if we have made liquidating distributions in full to all holders of preferred stock, we will distribute our remaining assets among the holders of any other classes or series of capital stock ranking junior to the preferred stock according to their respective rights and preferences and, in each case, according to their respective number of shares. For such purposes, our consolidation or merger with or into any other corporation, trust or entity, or the sale, lease or conveyance of all or substantially all of our property or assets will not be deemed to constitute a liquidation, dissolution or winding up of our affairs.

Redemption

If so provided in the applicable prospectus supplement, the preferred stock will be subject to mandatory redemption or redemption at our option, as a whole or in part, in each case upon the terms, at the times and at the redemption prices set forth in such prospectus supplement.

The prospectus supplement relating to a series of preferred stock that is subject to mandatory redemption will specify the number of shares of preferred stock that shall be redeemed by us in each year commencing after a date to be specified, at a redemption price per share to be specified, together with an amount equal to all accrued and unpaid dividends thereon to the date of redemption. Unless the shares have a cumulative dividend, such accrued dividends will not include any accumulation in respect of unpaid dividends for prior dividend periods. We may pay the redemption price in cash or other property, as specified in the applicable prospectus supplement. If the redemption price for preferred stock of any series is payable only from the net proceeds of the issuance of shares of our capital stock, the terms of such preferred stock may provide that, if no such shares of our capital stock shall have been issued or to the extent the net proceeds from any issuance are insufficient to pay in full the aggregate redemption price then due, such preferred stock shall automatically and mandatorily be converted into the applicable shares of our capital stock pursuant to conversion provisions specified in the applicable prospectus supplement. Notwithstanding the foregoing, we will not redeem any preferred stock of a series unless:

- if that series of preferred stock has a cumulative dividend, we have declared and paid or contemporaneously declare and pay or set aside funds to pay full cumulative dividends on the preferred stock for all past dividend periods and the then current dividend period; or
- if such series of preferred stock does not have a cumulative dividend, we have declared and paid or contemporaneously declare and pay or set aside funds to pay full dividends for the then current dividend period.

In addition, we will not acquire any preferred stock of a series unless:

- if that series of preferred stock has a cumulative dividend, we have declared and paid or contemporaneously declare and pay or set aside funds to pay full cumulative dividends on all outstanding shares of such series of preferred stock for all past dividend periods and the then current dividend period; or
- if that series of preferred stock does not have a cumulative dividend, we have declared and paid or contemporaneously declare and pay or set aside funds to pay full dividends on the preferred stock of such series for the then current dividend period.

However, at any time we may purchase or acquire preferred stock of that series (1) pursuant to a purchase or exchange offer made on the same terms to holders of all outstanding preferred stock of such series or (2) by conversion into or exchange for shares of our capital stock ranking junior to the preferred stock of such series as to dividends and upon liquidation.

If fewer than all of the outstanding shares of preferred stock of any series are to be redeemed, we will determine the number of shares that may be redeemed pro rata from the holders of record of such shares in proportion to the number of such shares held or for which redemption is requested by such holder or by any other equitable manner that we determine. Such determination will reflect adjustments to avoid redemption of fractional shares.

Unless otherwise specified in the prospectus supplement, we will mail notice of redemption at least 30 days but not more than 60 days before the redemption date to each holder of record of preferred stock to be redeemed at the address shown on our stock transfer books. Each notice shall state:

- the redemption date;
- the number of shares and series of preferred stock to be redeemed;
- the redemption price;
- the place or places where certificates for such preferred stock are to be surrendered for payment of the redemption price;
- that dividends on the shares to be redeemed will cease to accrue on such redemption date;
- the date on which the holder's conversion rights, if any, as to such shares shall terminate; and
- the specific number of shares to be redeemed from each such holder if fewer than all the shares of any series are to be redeemed.

Registration Rights

Pursuant to the Investor Rights Agreement, we will agree that upon Pershing Square's request we will use our commercially reasonable efforts to effect a registration under applicable federal and state securities laws for shares of our common stock held by Pershing Square. Immediately following the separation and distribution, Pershing Square is expected to own approximately % of our outstanding common stock based on its ownership of HHH as of , 2024. Following the completion of the anticipated Rights Offering, the shares covered by registration rights will represent, at most, % of our outstanding common stock, assuming no stockholder other than Pershing Square participates in the Rights Offering. The registration rights will terminate as to each Pershing Square entity on the date on which such entity no longer owns any registrable securities.

Demand Registration Rights

Pershing Square may request that we file a registration statement to register the offer and sale of its shares. Each such request for registration must cover securities the aggregate fair market value of which is at least $25 million. We will not be obligated to effect an underwritten offering with respect to any entity that is a Company affiliate during the regular trading blackout period for our directors, officers and other certain employees. The number of demand registrations that Pershing Square will be entitled to request will be unlimited; provided, that we will not be

obligated to undertake more than one related underwritten offering in any twelve-month period during the three years following , 2024, nor more than one in any twelve-month period generally.

Piggyback Registration Rights

Pershing Square will also be entitled to certain "piggyback" registration rights. If we propose to register shares of our common stock or other securities under the Securities Act, either for our own account or for the account of other security holders, in connection with such offering, Pershing Square will be able to request that we include its shares in such registration, subject to certain marketing and other limitations. As a result, whenever we propose to file a registration statement under the Securities Act, subject to certain exceptions, Pershing Square will be entitled to notice of the registration and have the right, subject to certain limitations, to include its shares of common stock in the registration.

Anti-Takeover Effects of Various Provisions of Delaware Law, our Certificate of Incorporation and Bylaws and the Investor Rights Agreement

Provisions of the DGCL, our Certificate of Incorporation and Bylaws and the Investor Rights Agreement could make it more difficult to acquire us by means of a tender offer, a proxy contest or otherwise, or to remove incumbent officers and directors. These provisions, summarized below, are expected to discourage certain types of coercive takeover practices and takeover bids that our board of directors may consider inadequate and to encourage persons seeking to acquire control of us to first negotiate with our board of directors. We believe that the benefits of increased protection of our ability to negotiate with the proponent of an unfriendly or unsolicited proposal to acquire or restructure us outweigh the disadvantages of discouraging takeover or acquisition proposals because, among other things, negotiation of these proposals could result in improved terms for our stockholders.

Delaware Anti-Takeover Statute

We are subject to Section 203 of the DGCL, an anti-takeover statute. In general, Section 203 of the DGCL prohibits a publicly-held Delaware corporation from engaging in a "business combination" with an "interested stockholder" for a period of three years following the time the person became an interested stockholder, unless the business combination or the acquisition of shares that resulted in a stockholder becoming an interested stockholder is approved in a prescribed manner. Generally, a "business combination" includes a merger, asset or stock sale or other transaction resulting in a financial benefit to the interested stockholder. Generally, an "interested stockholder" is a person who, together with affiliates and associates, owns (or, if the person is an affiliate or an associate of the Company, within three years prior to the determination of interested stockholder status did own) 15% or more of a corporation's voting stock. The existence of this provision would be expected to have an anti-takeover effect with respect to transactions not approved in advance by our board of directors, including discouraging attempts that might result in a premium over the market price for the shares of common stock held by stockholders.

The Company's Corporate Governance Guidelines will provide that the Company will grant to any stockholder a waiver of the applicability of Section 203 of the DGCL to the acquisition of up to % of the Company's outstanding voting stock upon the request of such stockholder, subject to our board of director's fiduciary duties and applicable law. Additionally, we intend to grant a waiver of the applicability of the provisions of Section 203 to Pershing Square Capital Management, L.P., PS Management GP, LLC and William A. Ackman, such that Pershing Square may increase its position in our common stock up to % of the outstanding shares of common stock without being subject to Section 203's restrictions on business combinations. As such, Pershing Square, through its ability to accumulate more common stock than would otherwise be permitted under Section 203, would have the ability to become a large holder group that would be able to affect matters requiring approval by Company stockholders, including the election of directors and approval of mergers or other business combination transactions.

These anti-takeover provisions could make it more difficult for a third party to acquire us, even if the third-party's offer may be considered beneficial by many of our stockholders. As a result, our stockholders may be limited in their ability to obtain a premium for their shares. These provisions could limit the price that investors might be willing to pay in the future for shares of our common stock. There also may be dilution of our common stock from the exercise of outstanding warrants, which may materially adversely affect the market price and negatively impact a holder's investment.

Size of Board and Vacancies

Our Bylaws will provide that the number of directors on our board of directors will be fixed exclusively by our board of directors. Subject to the rights of the holders of any series of preferred stock then outstanding, newly created directorships resulting from any increase in our authorized number of directors will be filled by a majority of our board of directors then in office, provided that a majority of the total number of directors is present, unless our board of directors otherwise determines that such directorships should be filled by the affirmative vote of the stockholders of record of at least a majority of the voting stock. Any vacancies in our board of directors resulting from death, resignation, retirement, disqualification, removal from office or other cause will be filled generally by the majority vote of our remaining directors in office, even if less than a quorum is present. Our Certificate of Incorporation and Bylaws will permit stockholders to remove a director or directors with or without cause.

Pursuant to the Investor Rights Agreement we expect to enter into with Pershing Square, following the completion of our spin-off from HHH, as long as Pershing Square owns at least 10% of the total outstanding shares of our common stock, Pershing Square will be entitled to nominate at least one director to our board of directors and, if we increase the size of the board to larger than five directors, as many nominees as represent at least 20% of the total number of directors then on the board. These board designation rights will also be contained in our Certificate of Incorporation.

Indemnification of Directors and Officers

Section 102 of the DGCL permits a corporation to eliminate the personal liability of its directors or its stockholders for monetary damages for a breach of fiduciary duty as a director, except where the director breached his or her duty of loyalty, failed to act in good faith, engaged in intentional misconduct or knowingly violated a law, authorized the payment of a dividend or approved a stock repurchase in violation of Delaware corporate law or obtained an improper personal benefit. The Certificate of Incorporation will provide that no director shall be personally liable to it or its stockholders for monetary damages for any breach of fiduciary duty as a director, notwithstanding any provision of law imposing such liability, except to the extent that the DGCL prohibits the elimination or limitation of liability of directors for breaches of fiduciary duty.

Section 145 of the DGCL provides that a corporation has the power to indemnify a director, officer, employee or agent of the corporation and certain other persons serving at the request of the corporation in related capacities against expenses (including attorneys' fees), judgments, fines and amounts paid in settlements actually and reasonably incurred by the person in connection with an action, suit or proceeding to which he or she is or is threatened to be made a party by reason of such position, if such person acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the corporation, and, in any criminal action or proceeding, had no reasonable cause to believe his or her conduct was unlawful, except that, in the case of actions brought by or in the right of the corporation, no indemnification shall be made with respect to any claim, issue or matter as to which such person shall have been adjudged to be liable to the corporation unless and only to the extent that the Court of Chancery or other adjudicating court determines that, despite the adjudication of liability but in view of all of the circumstances of the case, such person is fairly and reasonably entitled to indemnify for such expenses which the Court of Chancery or such other court shall deem proper.

Our Bylaws will provide that the Company will indemnify and hold harmless, to the fullest extent permitted by the DGCL, any director or officer who was or is made or is threatened to be made a party or is otherwise involved in any action, suit or proceeding, whether civil, criminal, administrative or investigative (a "Proceeding") by reason of the fact that he or she, or a person for whom he or she is the legal representative, is or was a director or officer while serving as such, or is or was serving at the request of the Company as a director, officer, employee or agent of another corporation or of a partnership, joint venture, trust, enterprise or non-profit entity, against all liability and loss suffered and expenses reasonably incurred by such person in connection with any such Proceeding.

Our Bylaws will also provide that the Company will have the power to indemnify and hold harmless, to the fullest extent permitted by applicable law, any employee or agent of the Company who was or is made or is threatened to be made a party or is otherwise involved in any Proceeding by reason of the fact that he or she, or a person for whom he or she is the legal representative, is or was an employee or agent of the Company or is or was

serving at the request of the Company as a director, officer, employee or agent of another corporation or of a partnership, joint venture, trust, enterprise or non-profit entity against all liability and loss suffered and expenses reasonably incurred by such person in connection with any such Proceeding.

Prior to the completion of separation, we intend to enter into indemnification agreements with our directors and executive officers.

The Company will maintain a general liability insurance policy which covers certain liabilities of its directors and officers arising out of claims based on acts or omissions in their capacities as directors or officers.

Special Stockholder Meetings

Under our Certificate of Incorporation and Bylaws, our board of directors will be permitted to call special meetings of our stockholders. A special meeting will also be required to be called by the secretary upon written request by stockholders who together hold 15% or more of the voting power of the issued and outstanding shares of the capital stock of the Company entitled to vote generally in the election of directors.

Prohibition of Stockholder Action by Written Consent

Our Certificate of Incorporation will expressly prohibit our stockholders from acting by written consent. Stockholder action will be required to take place at an annual or a special meeting of our stockholders.

Requirements for Advance Notice of Stockholder Nominations and Proposals

Our Bylaws will establish advance notice procedures with respect to stockholder proposals and nomination of candidates for election as directors other than nominations made by or at the direction of our board of directors or a committee of our board of directors.

Restrictions on Ownership; Transfer of Excess Shares to a Trust

To comply with the policies of MLB, the Certificate of Incorporation will provide that, as long as we have an ownership interest in the professional baseball club currently known as the Aviators and subject to certain exceptions, no person may acquire shares of our common stock if, after such acquisition, that person would (i) own at least 50% of the outstanding shares of our common stock or at least 50% of the total voting power of our then-outstanding securities entitled to vote generally in the election of directors or (ii) have the ability to appoint at least a majority of the members of our board, unless, in each case, such person is approved by MLB or qualifies as an exempt person (which includes Pershing Square or any person approved by MLB as the "control person" of the Aviators). In the event that a person (the "excess share transferor") attempts to acquire shares of our common stock in violation of these restrictions, the applicable excess shares would automatically be transferred to a trust and held for the benefit of the excess share transferor, and the excess shares may be sold for cash, on the open market, in privately negotiated transactions or otherwise. The Certification of Incorporation will also provide that:

1. the trustee will have all voting rights with respect to the excess shares;

2. any shares of our common stock issued as a dividend on the excess shares will be treated as excess shares; and

3. subject to compliance with certain payment conditions, the excess share transferor will be entitled to receive any other dividends or distributions paid on the excess shares.

The provisions of the Certificate of Incorporation pertaining to the foregoing restrictions and the treatment of excess shares will terminate on the earlier of (1) there ceasing to be outstanding any shares of our common stock and (2) the date on which we no longer have an ownership interest in the professional baseball club currently known as the Aviators.

These share ownership limitations and required MLB approvals could have an anti-takeover effect, potentially discouraging third parties from making proposals for certain acquisitions of our common stock or a change of control transaction.

Transfer Agent and Registrar

Computershare Trust Company, N.A. will be the transfer agent and registrar for our common stock.

Listing

We intend to apply to have our common stock authorized for listing on the NYSE under the symbol “SEG.”

WHERE YOU CAN FIND MORE INFORMATION

We have filed with the SEC a registration statement on Form 10 with respect to our common stock being distributed as contemplated by this information statement. This information statement is a part of, and does not contain all of the information set forth in, the registration statement and the exhibits and schedules to the registration statement. For further information with respect to us and our common stock, please refer to the registration statement, including the exhibits and schedules to the registration statement. Statements made in this information statement relating to any contract or other document are not necessarily complete, and you should refer to the exhibits attached to the registration statement for copies of the actual contract or document. The SEC maintains an Internet site that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC at www.sec.gov.

As a result of the distribution, we will become subject to the informational requirements of the Exchange Act and will be required to file periodic and current reports, proxy statements and other information with the SEC. We intend to furnish our stockholders with annual reports containing financial statements audited by an independent registered public accounting firm.

In addition, following the completion of the distribution, we will make the information filed with or furnished to the SEC available free of charge through our website as soon as reasonably practicable after we electronically file such material with, or furnish it to, the SEC. The information contained in, or that can be accessed through, our website is not incorporated by reference and is not part of this information statement.

You should rely only on the information contained in this information statement or to which this information statement has referred you. We have not authorized any person to provide you with different information or to make any representation not contained in this information statement.

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Report of Independent Registered Public Accounting Firm

To the Shareholder and Board of Directors
Seaport Entertainment Group Inc.:

Opinion on the Financial Statement

We have audited the accompanying balance sheet of Seaport Entertainment Group Inc. (the Company) as of February 6, 2024, and the related notes (collectively, the financial statement). In our opinion, the financial statement presents fairly, in all material respects, the financial position of the Company as of February 6, 2024, in conformity with U.S. generally accepted accounting principles.

Basis for Opinion

The financial statement is the responsibility of the Company's management. Our responsibility is to express an opinion on the financial statement based on our audit. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement, whether due to error or fraud. Our audit included performing procedures to assess the risks of material misstatement of the financial statement, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statement. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statement. We believe that our audit provides a reasonable basis for our opinion.

/s/ KPMG LLP

We have served as the Company's auditor since 2024.

Dallas, Texas
February 13, 2024

SEAPORT ENTERTAINMENT GROUP INC.

BALANCE SHEET

	February 6, 2024
ASSETS	
Cash	1,000
Total assets	**$ 1,000**
SHAREHOLDER'S EQUITY	
Common shares ($.01 par value, 5,000 shares authorized, 1,000 issued and outstanding)	10
Additional paid-in capital	990
Total equity	**$ 1,000**

See Notes to Financial Statements.

1. Organization

Seaport Entertainment Group Inc. (Seaport Entertainment) was organized by Howard Hughes Holdings Inc. (NYSE:HHH) (HHH) on January 24, 2024 (capitalized February 6, 2024). Seaport Entertainment was formed for the purpose of receiving via contribution from HHH, all of the assets and liabilities of HHH's existing entertainment-related assets in New York City and Las Vegas, including the Seaport in Lower Manhattan, a 25% minority interest in Jean-Georges Restaurants as well as other partnerships, the Las Vegas Aviators Triple-A Minor League Baseball team and Las Vegas Ballpark, an interest in and to 80% of the air rights above the Fashion Show mall in Las Vegas and certain other assets and liabilities that HHH is expected to contribute to Seaport Entertainment.

2. Basis of Presentation

Seaport Entertainment's balance sheet has been prepared in accordance with accounting principles generally accepted in the United States of America. Statements of income, changes in shareholder's equity, and cash flows have not been presented because Seaport Entertainment has no activity.

3. Shareholder's Equity

Seaport Entertainment has been capitalized with the issuance of 1,000 common shares ($.01 par value per share) and $990 additional paid-in capital for a total of $1,000.

4. Subsequent Events

Subsequent events have been evaluated through February 13, 2024, the date that this balance sheet was available to be issued.

SEAPORT ENTERTAINMENT DIVISION OF HOWARD HUGHES

CONDENSED COMBINED BALANCE SHEETS

(unaudited)

thousands	March 31, 2024	December 31, 2023
ASSETS		
Buildings and equipment	$ 533,836	$ 528,299
Less: accumulated depreciation	(207,832)	(203,208)
Land	9,497	9,497
Developments	99,092	102,874
Net investment in real estate	434,593	437,462
Investments in unconsolidated ventures	41,879	37,459
Cash and cash equivalents	1,955	1,834
Restricted cash	42,175	42,011
Accounts receivable, net	11,282	13,672
Deferred expenses, net	4,225	4,379
Operating lease right-of-use assets, net	40,272	40,884
Other assets, net	38,348	39,112
Total assets	**$ 614,729**	**$ 616,813**
LIABILITIES		
Mortgages payable, net	$ 155,822	$ 155,628
Operating lease obligations	48,015	48,153
Accounts payable and other liabilities	21,760	28,139
Total liabilities	**225,597**	**231,920**
Commitments and Contingencies (see Note 7)		
EQUITY		
Net parent investment	389,132	384,893
Total equity	**389,132**	**384,893**
Total liabilities and equity	**$ 614,729**	**$ 616,813**

See Notes to Unaudited Condensed Combined Financial Statements.

SEAPORT ENTERTAINMENT DIVISION OF HOWARD HUGHES

CONDENSED COMBINED STATEMENTS OF OPERATIONS

(unaudited) *thousands*	Three months ended March 31, 2024	 2023
REVENUES		
Sponsorships, events, and entertainment revenue	$ 4,180	$ 4,081
Hospitality revenue	4,004	5,222
Rental revenue	6,447	5,442
Other revenue	23	3
Total revenues	**14,654**	**14,748**
EXPENSES		
Sponsorships, events, and entertainment costs	4,861	5,988
Hospitality costs	5,568	6,881
Operating costs	9,904	9,137
Provision for (recovery of) doubtful accounts	953	(19)
General and administrative	16,554	5,456
Depreciation and amortization	8,074	13,230
Other	—	403
Total expenses	**45,914**	**41,076**
OTHER		
Other income, net	8	21
Total other	**8**	**21**
Operating loss	**(31,252)**	**(26,307)**
Interest expense, net	(2,546)	(630)
Equity in losses from unconsolidated ventures	(10,280)	(10,820)
Loss before income taxes	**(44,078)**	**(37,757)**
Income tax (benefit) expense	—	—
Net loss	**$ (44,078)**	**$ (37,757)**

See Notes to Unaudited Condensed Combined Financial Statements.

SEAPORT ENTERTAINMENT DIVISION OF HOWARD HUGHES

CONDENSED COMBINED STATEMENTS OF CASH FLOWS

(unaudited) *thousands*	Three months ended March 31, 2024	 2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss	$ (44,078)	$ (37,757)
Adjustments to reconcile net loss to cash used in operating activities:		
Depreciation	7,176	12,380
Amortization	898	850
Amortization of deferred financing costs	193	77
Straight-line rent amortization	(187)	(71)
Stock compensation expense	658	292
Equity in losses from unconsolidated ventures, net of distributions and impairment charges	10,280	10,820
Provision for (recovery of) doubtful accounts	1,009	(83)
Net Changes:		
Accounts receivable	1,567	(1,285)
Other assets, net	(25)	1,110
Deferred expenses, net	46	—
Accounts payable and other liabilities	3,667	5,483
Cash used in operating activities	**(18,796)**	**(8,184)**
CASH FLOWS FROM INVESTING ACTIVITIES		
Operating property improvements	(1,860)	(4,626)
Property development and redevelopment	(12,018)	(10,641)
Investments in unconsolidated ventures	(14,700)	(11,790)
Cash used in investing activities	**(28,578)**	**(27,057)**
CASH FLOWS FROM FINANCING ACTIVITIES		
Net transfers from Parent	47,659	22,242
Cash provided by financing activities	**47,659**	**22,242**
Net change in cash, cash equivalents and restricted cash	285	(12,999)
Cash, cash equivalents and restricted cash at beginning of period	43,845	66,713
Cash, cash equivalents and restricted cash at end of period	**$ 44,130**	**$ 53,714**
RECONCILIATION OF CASH, CASH EQUIVALENTS AND RESTRICTED CASH		
Cash and cash equivalents	$ 1,955	$ 5,436
Restricted cash	42,175	48,278
Cash, cash equivalents and restricted cash at end of period	**$ 44,130**	**$ 53,714**
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Interest paid	$ 2,681	$ 1,987
Interest capitalized	667	2,031
NON-CASH TRANSACTIONS		
Accrued property improvements, developments, and redevelopments	(9,571)	250
Capitalized stock compensation	394	243

See Notes to Unaudited Condensed Combined Financial Statements.

SEAPORT ENTERTAINMENT DIVISION OF HOWARD HUGHES

CONDENSED COMBINED STATEMENTS OF EQUITY

(unaudited)

thousands	Net parent investment	Total equity
Balance, December 31, 2022	**$ 1,096,186**	**$ 1,096,186**
Net loss	(37,757)	(37,757)
Net transfers from parent	22,534	22,534
Balance, March 31, 2023	**$ 1,080,963**	**$ 1,080,963**
Balance, December 31, 2023	**$ 384,893**	**$ 384,893**
Net loss	(44,078)	(44,078)
Net transfers from parent	48,317	48,317
Balance, March 31, 2024	**$ 389,132**	**$ 389,132**

See Notes to Unaudited Condensed Combined Financial Statements.

1. Summary of Significant Accounting Policies

Description of the Company On July 17, 2023, The Howard Hughes Corporation (“HHC”) announced that its Board of Directors authorized the creation of a holding company structure. On August 11, 2023, upon the consummation of the transaction, Howard Hughes Holdings Inc. (“HHH” or “Parent”), the new parent holding company, replaced HHC as the public company trading on the New York Stock Exchange. Existing shares of common stock of HHC were automatically converted, on a one-for-one basis, into shares of common stock of HHH, with the same designations, rights, powers, and preferences, and the same qualifications, limitations, and restrictions, as the shares of HHC common stock immediately prior to the reorganization. HHH became the successor issuer to HHC pursuant to Rule 12g-3 (a) under the Exchange Act and replaced HHC as the public company trading on the New York Stock Exchange.

On October 5, 2023, HHH announced its intent to form a new division, the Seaport Entertainment division of Howard Hughes (the "Company"), that includes HHH’s entertainment-related real estate assets and operations, which are concentrated in New York and Las Vegas, including the Seaport in Lower Manhattan (the “Seaport”), a 25% ownership stake in Jean-Georges Restaurants as well as other partnerships, the Las Vegas Aviators Triple-A Minor League Baseball team (the “Aviators”) and the Las Vegas Ballpark, and an interest in and to 80% of the air rights above the Fashion Show mall in Las Vegas.

HHH is establishing the Seaport Entertainment division with the intention of separating it into a stand-alone publicly traded company through the distribution of all of the outstanding shares of common stock of Seaport Entertainment to HHH’s stockholders on a pro rata basis in a distribution intended to be tax-free for U.S. federal income tax purposes, except for cash received in lieu of fractional shares of common stock. While HHH currently intends to effect the distribution, subject to the satisfaction of certain conditions, HHH has no obligation to pursue or consummate any disposition of its ownership of Seaport Entertainment, including through the distribution, by any specified date, or at all. The planned separation and distribution of the Seaport Entertainment division from Howard Hughes will refine the identity of HHH as a pure-play real estate company focused solely on its portfolio of master planned communities and allow the new company to own, operate and develop a unique collection of assets independently positioned at the intersection of entertainment and real estate. To date, Seaport Entertainment has not conducted any business as a separate company.

Principles of Combination and Basis of Presentation The accompanying Unaudited Condensed Combined Financial Statements have been prepared on a standalone basis derived from the consolidated financial statements and accounting records of HHH. These statements reflect the unaudited condensed combined historical results of operations, financial position, and cash flows of the Seaport Entertainment division of Howard Hughes in accordance with accounting principles generally accepted in the United States of America (“GAAP”).

The unaudited interim financial information included in this information statement reflects all adjustments, all of which are of a normal and recurring nature, that management believes are necessary for a fair statement of the results of operations, financial position, equity, and cash flows for the periods presented. The information included in this interim report should be read in conjunction with our Combined Financial Statements and accompanying notes included elsewhere in this information statement.

The Condensed Combined Balance Sheet information at December 31, 2023 was derived from annual audited financial statements, but does not include all disclosures required by GAAP. The results of operations for the year-to-date period ended March 31, 2024 are not necessarily indicative of the results to be expected for other interim periods or the full year.

The Unaudited Condensed Combined Financial Statements include the attribution of certain assets and liabilities that have been held at Parent which are specifically identifiable or attributable to the Company. The assets and liabilities in the carve-out financial statements have been presented on a historical cost basis.

All significant intercompany transactions within the Company have been eliminated. All transactions between the Company and Parent are considered to be effectively settled in the Unaudited Condensed Combined Financial Statements at the time the transaction is recorded, other than transactions described in Note 14 – *Related-Party Transactions* that have historically been settled in cash. The total net effect of the settlement of these intercompany

transactions is reflected in the Unaudited Condensed Combined Statements of Cash Flows as a financing activity and in the Unaudited Condensed Combined Balance Sheets as net parent investment.

These Unaudited Condensed Combined Financial Statements include expense allocations for: (1) certain support functions that are provided on a centralized basis within HHH, including, but not limited to property management, development, executive oversight, treasury, accounting, finance, internal audit, legal, information technology, human resources, communications, facilities, and risk management; and (2) employee benefits and compensation, including stock-based compensation. These expenses have been allocated to the Company on the basis of direct time spent on Company projects where identifiable, with the remainder allocated on a basis of revenue, headcount, payroll costs, or other applicable measures. For an additional discussion and quantification of expense allocations, see Note 12 – *Related-Party Transactions*.

Management believes the assumptions underlying these Unaudited Condensed Combined Financial Statements, including the assumptions regarding allocated expenses, reasonably reflect the utilization of services provided to or the benefit received by the Company during the periods presented. Nevertheless, the Unaudited Condensed Combined Financial Statements may not reflect the results of operations, financial position and cash flows had the Company been a standalone company during the periods presented. Actual costs that the Company may have incurred had it been a standalone company would depend on several factors, including the chosen organization structure, whether functions were outsourced or performed by its employees and strategic decisions made in areas such as executive leadership, corporate infrastructure, and information technology.

Debt obligations and related financing costs of Parent have not been included in the Unaudited Condensed Combined Financial Statements of the Company, because the Company's business is not a party to the obligations between Parent and the debt holders. Further, the Company does not guarantee any of Parent's debt obligations.

The income tax provision in the Unaudited Condensed Combined Statements of Operations has been calculated as if the Company was operating on a standalone basis and filed separate tax returns in the jurisdictions in which it operates. Therefore, cash tax payments and items of current and deferred taxes may not be reflective of the Company's actual tax balances prior to or subsequent to the carve-out.

HHH maintains stock-based compensation plans at a corporate level. The Company's employees participate in such plans and the portion of the cost of those plans related to the Company's employees is included in the Unaudited Condensed Combined Statements of Operations. However, the Unaudited Condensed Combined Balance Sheets does not include any equity issued related to stock-based compensation plans.

The equity balance in these Unaudited Condensed Combined Financial Statements represents the excess of total assets over total liabilities, including intercompany balances between the Company and Parent (net parent investment).

Liquidity and Going Concern The Company historically managed liquidity risk by effectively managing its operations, capital expenditures, development and redevelopment activities, and cash flows, making use of a central treasury function and other shared services provided by the Parent. The Company does not currently have, nor does it expect to generate from operations, adequate liquidity to fund its operations for the next twelve months. To mitigate such conditions, the Parent has committed to support the operating, investing and financing activities of the Company by contributing capital to the Company prior to the separation and distribution.

Management believes that cash on hand and the financial support from Parent will provide sufficient liquidity to meet the Company's projected obligations for at least twelve months.

The Unaudited Combined Financial Statements for the Company have been prepared on the basis of accounting policies applicable to a going concern. The going concern basis presumes that for the foreseeable future, funds will be available to finance future operations and that the realization of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

Use of Estimates The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and

liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. The estimates and assumptions include, but are not limited to, capitalization of development costs, provision for income taxes, future cash flows used in impairment analysis and fair value used in impairment calculations, recoverable amounts of receivables and deferred tax assets, initial valuations of tangible and intangible assets acquired and the related useful lives of assets upon which depreciation and amortization is based. Estimates and assumptions have also been made with respect to future revenues and costs. Actual results could differ from these and other estimates.

Cash and Cash Equivalents Cash and cash equivalents consist of highly liquid investments with maturities at date of purchase of three months or less and deposits with major banks throughout the United States. Such deposits are in excess of FDIC limits and are placed with high-quality institutions in order to minimize concentration of counterparty credit risk.

Restricted Cash Restricted cash reflects amounts segregated in escrow accounts in the name of the Company, primarily related to development activity at 250 Water Street and other amounts related to payment of principal and interest on the Company's outstanding mortgages payable.

Accounts Receivable, net Accounts receivable includes tenant receivables, straight-line rent receivables, and other receivables. On a quarterly basis, management reviews tenant receivables and straight-line rent assets for collectability. As required under ASC 842 *Leases* (ASC 842), this analysis includes a review of past due accounts and considers factors such as the credit quality of tenants, current economic conditions and changes in customer payment trends. When full collection of a lease receivable or future lease payment is not probable, a reserve for the receivable balance is charged against rental revenue and future rental revenue is recognized on a cash basis. The Company also records reserves for estimated losses under ASC 450 *Contingencies* (ASC 450) if the estimated losses are probable and can be reasonably estimated.

Other receivables primarily related to short-term trade receivables. The Company is exposed to credit losses through the sale of goods and services to customers. As required under ASC 326 *Financial Instruments – Credit Losses* (ASC 326), the Company assesses its exposure to credit loss related to these receivables on a quarterly basis based on historical collection experience and future expectations by portfolio. As of March 31, 2024, and December 31, 2023, there were no material past due receivables and there have been no material write-offs or recoveries of amounts previously written-off.

The following table represents the components of Accounts Receivable, net of amounts considered uncollectible, in the accompanying Unaudited Condensed Combined Balance Sheets as of:

thousands	March 31, 2024	December 31, 2023
Tenant receivables	$ 707	$ 875
Straight-line rent receivables	3,539	3,353
Other receivables	7,036	9,444
Accounts receivable, net [(a)]	**$ 11,282**	**$ 13,672**

(a) As of March 31, 2024, and December 31, 2023, the total reserve balance was $2.3 million and $1.4 million, respectively.

The following table summarizes the impacts of the collectability reserves in the accompanying Unaudited Condensed Combined Statements of Operations:

	Three months ended March 31,	
thousands	**2024**	**2023**
Statements of Operations Location		
Rental revenue	$ 56	$ (128)
Provision for doubtful accounts	953	(19)
Total (income) expense impact	**$ 1,009**	**$ (147)**

As of March 31, 2024, two customers had an accounts receivable balance of $1.1 million and $1.1 million, which represented approximately 9.7% and 9.7% of the Company's accounts receivable balance, respectively. Additionally, one related party accounted for approximately $1.3 million, which represented approximately 11.5% of the Company's accounts receivable. See Note 12 - *Related-Party Transactions* for additional information.

As of December 31, 2023, two customers had an accounts receivable balance of $2.1 million and $1.7 million, which represented approximately 15.1% and 12.2% of the Company's accounts receivable balance, respectively. Additionally, one related party accounted for approximately $3.1 million, which represented approximately 22.8% of the Company's accounts receivable. See Note 12 – *Related-Party Transactions* for additional information.

2. Investments in Unconsolidated Ventures

In the normal course of business, the Company enters into partnerships and ventures with an emphasis on investments associated with businesses that operate at the Company's real estate assets and other entertainment-related investments. The Company does not consolidate the investments in the periods presented below as it does not have a controlling financial interest in these ventures. As such, the Company primarily reports its interests in accordance with the equity method. Additionally, the Company evaluates its equity method investments for significance in accordance with Regulation S-X, Rule 3-09 and Regulation S-X, Rule 4-08(g) and presents separate annual financial statements or summarized financial information, respectively, as required by those rules.

Investments in unconsolidated ventures consist of the following:

	Ownership Interest [a]		Carrying Value		Share of Earnings (Losses)/ Dividends	
					Three months ended March 31,	
thousands except percentages	**March 31, 2024**	**December 31, 2023**	**March 31, 2024**	**December 31, 2023**	**2024**	**2023**
Equity Method Investments						
The Lawn Club [b]	**50 %**	**50 %**	$ 3,926	$ 1,266	$ (453)	$ —
Ssäm Bar [b] [c]	**50 %**	**50 %**	—	—	—	(398)
Tin Building by Jean-Georges [b] [c]	**65 %**	**65 %**	13,583	11,658	(9,661)	(10,208)
Jean-Georges Restaurants	**25 %**	**25 %**	14,370	14,535	(166)	(214)
			31,879	**27,459**	**(10,280)**	**(10,820)**
Other equity investments [d]			**10,000**	**10,000**	**—**	**—**
Investments in unconsolidated ventures			**$ 41,879**	**$ 37,459**	**$ (10,280)**	**$ (10,820)**

(a) Ownership interests presented reflect the Company's stated ownership interest or if applicable, the Company's final profit-sharing interest after receipt of any preferred returns based on the venture's distribution priorities.

(b) For these equity method investments, various provisions in the venture operating agreements regarding distributions of cash flow based on capital account balances, allocations of profits and losses and preferred returns may result in the Company's economic interest differing from its stated interest or final profit-sharing interest. For these investments, the Company recognizes income or loss based on the venture's distribution priorities, which could fluctuate over time and may be different from its stated ownership or final profit-sharing interest.

(c) Classified as a VIE; however, the Company is not the primary beneficiary and accounts for its investment in accordance with the equity method. Refer to discussion below for additional information.
(d) Other equity investments represent investments not accounted for under the equity method. The Company elected the measurement alternative as these investments do not have readily determinable fair values. There were no impairments, or upward or downward adjustments to the carrying amounts of these securities either during the three months ended March 31, 2024, or cumulatively. As of December 31, 2023, Other equity investments consists of $10.0 million of warrants, which represents cash paid by the Company for the option to acquire additional ownership interest in Jean-Georges Restaurants. Refer to discussion below for additional detail.

The Lawn Club In 2021, the Company formed HHC Lawn Games, LLC with The Lawn Club NYC, LLC ("Endorphin Ventures"), to construct and operate an immersive indoor and outdoor restaurant that includes an extensive area of indoor grass, a stylish clubhouse bar, and a wide variety of lawn games. This concept opened in the fourth quarter of 2023. Under the terms of the initial agreement, the Company funded 80% of the cost to construct the restaurant, and Endorphin Ventures contributed the remaining 20%. In October 2023, the members executed an amended LLC agreement, in which the Company will fund 90% of any remaining capital requirements, and Endorphin Ventures will contribute 10%. The Company will recognize its share of income or loss based on the joint venture distribution priorities, which could fluctuate over time. Upon return of each member's contributed capital and a preferred return to the Company, distributions and recognition of income or loss will be allocated to the Company based on its final profit-sharing interest. The Company also entered into a lease agreement with HHC Lawn Games, LLC pursuant to which the Company agreed to lease 20,000 square feet of the Fulton Market Building to this venture.

Ssäm Bar In 2016, the Company formed Pier 17 Restaurant C101, LLC ("Ssäm Bar") with MomoPier, LLC ("Momofuku") to construct and operate a restaurant and bar at Pier 17 in the Seaport, which opened in 2019. The Company recognizes its share of income or loss based on the joint venture's distribution priorities, which could fluctuate over time. During the third quarter of 2023, the Ssäm Bar restaurant closed, and the Company and Momofuku are in the process of dissolving the venture.

Tin Building by Jean-Georges In 2015, the Company, together with VS-Fulton Seafood Market, LLC ("Fulton Partner"), formed Fulton Seafood Market, LLC ("Tin Building by Jean-Georges") to operate a 53,783 square foot culinary marketplace in the historic Tin Building. The Fulton Partner is a wholly owned subsidiary of Jean-Georges Restaurants. The Company purchased a 25% interest in Jean-George Restaurants in March 2022 as discussed below.

The Company owns 100% of the Tin Building and leased 100% of the space to the Tin Building by Jean-Georges joint venture. Throughout this information statement, references to the Tin Building relate to the Company's 100% owned landlord operations and references to the Tin Building by Jean-Georges refer to the hospitality business in which the Company has an equity ownership interest. The Company, as landlord, funded 100% of the development and construction of the Tin Building. Under the terms of the Tin Building by Jean-Georges LLC agreement, the Company contributes the cash necessary to fund pre-opening, opening and operating costs of the Tin Building by Jean-Georges. The Fulton Partner is not required to make any capital contributions. The Tin Building was completed and placed in service during the third quarter of 2022 and the Tin Building by Jean-Georges culinary marketplace began operations in the third quarter of 2022. Based on capital contribution and distribution provisions for the Tin Building by Jean-Georges, the Company currently receives substantially all of the economic interest in the venture. Upon return of the Company's contributed capital and a preferred return to the Company, distribution and recognition of income or loss will be allocated to the Company based on its final profit-sharing interest.

As of March 31, 2024, the Tin Building by Jean-Georges is classified as a VIE because the equity holders, as a group, lack the characteristics of a controlling financial interest. The Company further concluded that it is not the primary beneficiary of the VIE as it does not have the power to direct the restaurant-related activities that most significantly impact its economic performance. As the Company is unable to quantify the maximum amount of additional capital contributions that may be funded in the future associated with this investment, the Company's maximum exposure to loss is currently equal to the $13.6 million carrying value of the investment as of March 31, 2024. The Company funded capital contributions of $11.6 million for the three months ended March 31, 2024, and $48.1 million for the year ended December 31, 2023.

The Company's investment in the Tin Building by Jean-Georges meets the threshold for disclosure of summarized financials for the three months ended March 31, 2024, and March 31, 2023. Relevant financial statement information is summarized as follows:

thousands	March 31, 2024	December 31, 2023
Balance Sheet		
Total Assets	$ 97,191	$ 96,555
Total Liabilities	82,426	83,716
Total Equity	14,765	12,839

thousands	Three months ended March 31, 2024	2023
Income Statement		
Revenues	$ 6,538	$ 6,953
Gross Margin	4,047	4,340
Net Loss	(9,661)	(10,208)

Jean-Georges Restaurants In March 2022, the Company acquired a 25% interest in JG Restaurant HoldCo LLC ("Jean-Georges Restaurants") for $45.0 million from JG TopCo LLC ("Jean-Georges"). Jean-Georges Restaurants currently has over 40 hospitality offerings and a pipeline of new concepts. The Company accounts for its ownership interest in accordance with the equity method and recorded its initial investment at cost, inclusive of legal fees and transaction costs. Under the terms of the current operating agreement, all cash distributions and the recognition of income-producing activities will be pro rata based on stated ownership interest.

Concurrent with the Company's acquisition of the 25% interest in Jean-Georges Restaurants, the Company entered into a warrant agreement with Jean-Georges. The Company paid $10.0 million for the option to acquire up to an additional 20% interest in Jean-Georges Restaurants at a fixed exercise price per share subject to certain anti-dilution provisions. Should the warrant agreement be exercised by the Company, the $10.0 million will be credited against the aggregate exercise price of the warrants. Per the warrant agreement, the $10.0 million is to be used for working capital of Jean-Georges Restaurants. The warrant became exercisable on March 2, 2022, subject to automatic exercise in the event of dissolution or liquidation and will expire on March 2, 2026. As of March 31, 2024, this warrant has not been exercised. The Company elected the measurement alternative for this purchase option as the equity security does not have a readily determinable fair value. As such, the investment is measured at cost, less any identified impairment charges.

Creative Culinary Management Company, LLC ("CCMC"), a wholly owned subsidiary of Jean-Georges Restaurants, provides management services for certain retail and food and beverage businesses that the Company owns, either wholly or through partnerships with third parties. The Company's businesses managed by CCMC include the Tin Building by Jean-Georges, The Fulton, and Malibu Farm. Pursuant to the various management agreements, CCMC is responsible for employment and supervision of all employees providing services for the food and beverage operations and restaurant as well as the day-to-day operations and accounting for the food and beverage operations.

3. Impairment

The Company reviews its long-lived assets for potential impairment indicators whenever events or changes in circumstances indicate that the carrying amounts may not be recoverable. Impairment or disposal of long-lived assets in accordance with ASC 360 *Property, Plant, and Equipment* (ASC 360) require that if impairment indicators exist and expected undiscounted cash flows generated by the asset over an anticipated holding period are less than its carrying amount, an impairment provision should be recorded to write down the carrying amount of the asset to its fair value. The impairment analysis does not consider the timing of future cash flows and whether the asset is

expected to earn an above- or below-market rate of return. No impairment charges were recorded during the three months ended March 31, 2024 and 2023.

The Company evaluates each investment in an unconsolidated venture discussed in Note 2 – *Investments in Unconsolidated Ventures* periodically for recoverability and valuation declines that are other-than-temporary. If the decrease in value of an investment is deemed to be other-than-temporary, the investment is reduced to its estimated fair value. No impairment charges were recorded for investment in real estate and other affiliates during the three months ended March 31, 2024 and 2023.

4. Other Assets and Liabilities

Other Assets, net The following table summarizes the significant components of Other assets, net as of:

thousands	March 31, 2024	December 31, 2023
Intangibles	$ 19,746	$ 20,534
Security and other deposits	14,190	14,190
Food and beverage and merchandise inventory	2,779	2,718
Prepaid expenses	1,516	1,524
Other	117	146
Other assets, net	**$ 38,348**	**$ 39,112**

Accounts Payable and Other Liabilities The following table summarizes the significant components of Accounts payable and other liabilities as of:

thousands	March 31, 2024	December 31, 2023
Deferred income	$ 8,426	$ 4,030
Accounts payable and accrued expenses	5,167	4,285
Construction payables	2,907	12,477
Accrued payroll and other employee liabilities	2,157	4,885
Accrued interest	1,528	1,000
Tenant and other deposits	1,034	554
Other	541	908
Accounts payable and other liabilities	**$ 21,760**	**$ 28,139**

5. Mortgages Payable, Net

Mortgages Payable Mortgages payable, net are summarized as follows:

thousands	March 31, 2024	December 31, 2023
Fixed-rate debt		
Secured mortgages payable	$ 42,990	$ 42,990
Variable-rate debt		
Secured mortgages payable	115,000	115,000
Unamortized deferred financing costs	(2,168)	(2,362)
Mortgages payable, net	**$ 155,822**	**$ 155,628**

As of March 31, 2024, land, buildings and equipment, developments, and other collateral with an aggregate net book value of $198.4 million have been pledged as collateral for the Company's debt obligations. Secured mortgages payable are without recourse to the Company and the Company's Parent at March 31, 2024.

Secured Mortgages Payable The Company's outstanding mortgages are collateralized by certain of the Company's real estate assets. The Company's fixed-rate debt obligation requires semi-annual installments of principal and interest, and the Company's variable-rate debt requires monthly installments of only interest. As of March 31, 2024, the Company's secured mortgage loans did not have any undrawn lender commitment available to be drawn for property development.

The following table summarizes the Company's Secured mortgages payable:

	March 31, 2024			December 31, 2023		
$ in thousands	**Principal**	**Interest Rate**	**Maturity Date**	**Principal**	**Interest Rate**	**Maturity Date**
Fixed rate [(a)]	$ 42,990	4.92 %	December 15, 2039	$ 42,990	4.92 %	December 15, 2039
Variable rate [(b)]	115,000	9.20 %	September 1, 2026	115,000	9.21 %	September 1, 2026
Secured mortgages payable	**$ 157,990**			**$ 157,990**		

(a) The Company has one fixed-rate debt obligation as of March 31, 2024, and December 31, 2023. The interest rate presented is based upon the coupon rate of the debt.
(b) The Company has one variable-rate debt obligation as of March 31, 2024, and December 31, 2023. The interest rate presented is based on the applicable reference interest rate as of March 31, 2024, and December 31, 2023.

During March 31, 2024, there were no refinancings, additional draws, or repayments.

6. Fair Value

ASC 820 *Fair Value Measurement* (ASC 820), emphasizes that fair value is a market-based measurement that should be determined using assumptions market participants would use in pricing an asset or liability. The standard establishes a hierarchical disclosure framework that prioritizes and ranks the level of market price observability used in measuring assets or liabilities at fair value. Market price observability is impacted by a number of factors, including the type of investment and the characteristics specific to the asset or liability. Assets or liabilities with readily available active quoted prices, or for which fair value can be measured from actively quoted prices, generally will have a higher degree of market price observability and a lesser degree of judgment used in measuring fair value.

The following table presents the fair value measurement hierarchy levels required under ASC 820 for the estimated fair values of the Company's financial instruments that are not measured at fair value on a recurring basis:

		March 31, 2024		December 31, 2023	
thousands	**Fair Value Hierarchy**	**Carrying Amount**	**Estimated Fair Value**	**Carrying Amount**	**Estimated Fair Value**
Assets:					
Cash and Restricted cash	Level 1	**$ 44,130**	**$ 44,130**	**$ 43,845**	**$ 43,845**
Accounts receivable, net [(a)]	Level 3	**11,282**	**11,282**	**13,672**	**13,672**
Liabilities:					
Fixed-rate debt [(b)]	Level 2	**42,990**	**37,935**	**42,990**	**38,906**
Variable-rate debt [(b)]	Level 2	**115,000**	**115,000**	**115,000**	**115,000**

(a) Accounts receivable, net is shown net of an allowance of $2.3 million at March 31, 2024 and $1.4 million at December 31, 2023, respectively. Refer to Note 1 - *Summary of Significant Accounting Policies* for additional information on the allowance.
(b) Excludes related unamortized financing costs.

The carrying amounts of Cash and Restricted cash and Accounts receivable, net approximate fair value because of the short-term maturity of these instruments.

The fair value of fixed-rate debt in the table above was estimated based on a discounted future cash payment model, which includes risk premiums and risk-free rates derived from the SOFR or U.S. Treasury obligation interest rates as of March 31, 2024. Refer to Note 5 - *Mortgages Payable, Net* for additional information. The discount rates reflect the Company's judgment as to what the approximate current lending rates for loans or groups of loans with

similar maturities and credit quality would be if credit markets were operating efficiently and assuming that the debt is outstanding through maturity.

The carrying amount for the Company's variable-rate debt approximates fair value given that the interest rate is variable and adjusts with current market rates for instruments with similar risks and maturities.

7. Commitments and Contingencies

Litigation In the normal course of business, from time to time, the Company is involved in legal proceedings relating to the ownership and operations of its properties. In management's opinion, the liabilities, if any, that may ultimately result from normal course of business legal actions are not expected to have a material effect on the Company's combined financial position, results of operations or liquidity.

250 Water Street In 2021, the Company received the necessary approvals for its 250 Water Street development project, which includes a mixed-use development with affordable and market-rate apartments, community-oriented spaces, and office space. In May 2021, the Company received approval from the New York City Landmarks Preservation Commission ("LPC") on its proposed design for the 250 Water Street site. The Company received final approvals in December 2021 through the New York City Uniform Land Use Review Procedure known as ULURP, which allowed the necessary transfer of development rights to the parking lot site. The Company began initial foundation and voluntary site remediation work in the second quarter of 2022 and completed remediation work in December 2023.

The Company has prevailed in various lawsuits filed in 2021 and 2022 challenging the development approvals in order to prevent construction of this project.

A separate lawsuit was filed in July 2022 again challenging the Landmarks Preservation Commission approval. In January 2023, a Court ruled in favor of the petitioners vacating the Certificate of Appropriateness ("COA") issued by the LPC. The Company immediately appealed this decision to the New York State Supreme Court's Appellate Division and on June 6, 2023, an Appellate Division panel of five judges unanimously reversed the lower Court's decision, reinstating the COA. Subsequently, on June 29, 2023, petitioners filed a motion requesting reargument or, in the alternative, permission to appeal the decision of the Appellate Division to the New York State Court of Appeals. On August 31, 2023, the Appellate Division denied petitioners' motion in full. Subsequently, petitioners filed a motion in the Court of Appeals for permission to appeal to that court. On May 21, 2024, the Court of Appeals denied this motion. As there is no potential loss for the Company, it has not recorded any reserves or contingencies related to this legal matter.

Operating Leases The Company leases land or buildings at certain properties from third parties, which are recorded in Operating lease right-of-use assets, net, and Operating lease obligations on the Unaudited Condensed Combined Balance Sheets. See Note 10 – *Leases* for additional information. Contractual rental expense was $2.1 million during the three months ended March 31, 2024, and $2.1 million during the three months ended March 31, 2023. The amortization of straight-line rents included in the contractual rent amount was $0.6 million during the three months ended March 31, 2024, and $0.7 million during the three months ended March 31, 2023.

8. Income Taxes

The Company's tax provision for interim periods is determined using an estimate of its annual current and deferred effective tax rates, adjusted for discrete items. The Company generated operating losses in the interim periods presented. The income tax benefit recognized related to this loss was zero for the three months ended March 31, 2024 and 2023, after an assessment of the available positive and negative evidence, which causes the Company's effective tax rate to deviate from the federal statutory rate.

9. Revenues

Revenues from contracts with customers (excluding lease-related revenues) are recognized when control of the promised goods or services is transferred to the Company's customers in an amount that reflects the consideration the Company expects to be entitled to in exchange for those goods or services.

The following presents the Company's revenues disaggregated by revenue source:

thousands	Three months ended March 31, 2024	2023
Revenues from contracts with customers		
Recognized at a point in time or over time		
Sponsorships, events, and entertainment revenue	$ 4,180	$ 4,081
Other revenue	23	3
Total	4,203	4,084
Recognized at a point in time		
Hospitality revenue	4,004	5,222
Rental and lease-related revenues		
Rental revenue	6,447	5,442
Total revenues	**$ 14,654**	**$ 14,748**

Contract Assets and Liabilities Contract assets are the Company's right to consideration in exchange for goods or services that have been transferred to a customer, excluding any amounts presented as a receivable. Contract liabilities are the Company's obligation to transfer goods or services to a customer for which the Company has received consideration.

There were no contract assets for the periods presented. The contract liabilities primarily relate to deferred Aviators and Seaport concert series ticket sales and sponsorship revenues.

thousands	Contract Liabilities
Balance at December 31, 2022	$ 4,740
Consideration earned during the period	(2,346)
Consideration received during the period	8,614
Balance at March 31, 2023	$ 11,008
Balance at December 31, 2023	$ 3,707
Consideration earned during the period	(4,466)
Consideration received during the period	8,896
Balance at March 31, 2024	$ 8,137

Remaining Unsatisfied Performance Obligation The Company's remaining unsatisfied performance obligations represent a measure of the total dollar value of work to be performed on contracts executed and in progress. These performance obligations primarily relate to the completion of the 2024 Aviators baseball season and 2024 concert series, as well as performance under various sponsorship agreements. The aggregate amount of the transaction price allocated to the Company's remaining unsatisfied performance obligations from contracts with customers as of March 31, 2024, is $13.3 million. The Company expects to recognize this amount as revenue over the following periods:

thousands	Less than 1 year	1-2 years	3 years and thereafter
Total remaining unsatisfied performance obligations	$ 11,421	$ 1,887	$ —

The Company's remaining performance obligations are adjusted to reflect any known contract cancellations, revisions to customer agreements, and deferrals, as appropriate.

During the three months ended March 31, 2024 and 2023, revenue from one customer accounted for approximately 19% of the Company's total revenue through a related-party transaction. See Note 12 – *Related-Party Transactions* for additional information.

10. Leases

Lessee Arrangements The Company determines whether an arrangement is a lease at inception. Operating leases are included in Operating lease right-of-use assets, net and Operating lease obligations on the Unaudited Condensed Combined Balance Sheets. Right-of-use assets represent the Company's right to use an underlying asset for the lease term and lease liabilities represent the Company's obligation to make lease payments arising from the lease. Operating lease right-of-use assets and liabilities are recognized at commencement date based on the present value of future minimum lease payments over the lease term. As most of the Company's leases do not provide an implicit rate, the Company uses an estimate of the incremental borrowing rate based on the information available at the lease commencement date in determining the present value of future lease payments. The Operating lease right-of-use asset also includes any lease payments made, less any lease incentives and initial direct costs incurred. The Company does not have any finance leases. The Company elected the practical expedient to not separate lease components from non-lease components of its lease agreements for all classes of underlying assets. Certain of the Company's lease agreements include non-lease components such as fixed common area maintenance charges. The Company applies Leases (Topic 842) to the single combined lease component.

The Company's lessee agreements consist of operating leases primarily for ground leases and other real estate. The majority of the Company's leases have remaining lease terms ranging from less than two years to approximately 50 years, excluding extension options. The Company considers its strategic plan and the life of associated agreements in determining when options to extend or terminate lease terms are reasonably certain of being exercised. Leases with an initial term of 12 months or less are not recorded on the balance sheet; the Company recognizes lease expense for these leases on a straight-line basis over the lease term. Certain of the Company's lease agreements include variable lease payments based on a percentage of income generated through subleases, changes in price indices and market rates, and other costs arising from operating, maintenance, and taxes. The Company's lease agreements do not contain residual value guarantees or restrictive covenants. The Company leases various buildings and office space constructed on its ground leases to third parties.

The Company's leased assets and liabilities are as follows:

thousands	March 31, 2024	December 31, 2023
Assets		
Operating lease right-of-use assets, net	$ 40,272	$ 40,884
Liabilities		
Operating lease obligations	$ 48,015	$ 48,153

The components of lease expense are as follows:

	Three months ended March 31,	
thousands	2024	2023
Operating lease cost	$ 1,547	$ 1,516
Variable lease cost	553	624
Total lease cost	**$ 2,100**	**$ 2,140**

Future minimum lease payments as of March 31, 2024, are as follows:

thousands	Operating Leases
Remainder of 2024	$ 3,247
2025	4,375
2026	3,416
2027	2,749
2028	2,808
Thereafter	234,042
Total lease payments	**250,637**
Less: imputed interest	(202,622)
Present value of lease liabilities	**$ 48,015**

Other information related to the Company's lessee agreements is as follows:

Supplemental Unaudited Condensed Combined Statements of Cash Flows Information	Three months ended March 31,	
thousands	**2024**	**2023**
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows on operating leases	$ 1,074	$ 1,052

Other Information	March 31, 2024	March 31, 2023
Weighted-average remaining lease term (years)		
Operating leases	45.4	44.8
Weighted-average discount rate		
Operating leases	7.8 %	7.5 %

Lessor Arrangements The Company receives rental income from the leasing of retail, office, multi-family and other space under operating leases, as well as certain variable tenant recoveries. Operating leases for our retail, office, and other properties are with a variety of tenants and have a remaining average term of approximately seven years. Lease terms generally vary among tenants and may include early termination options, extension options, and fixed rental rate increases or rental rate increases based on an index. Multi-family leases generally have a term of 12 months or less. The Company elected the practical expedient to not separate lease components from non-lease components of its lease agreements for all classes of underlying assets. Minimum rent revenues related to operating leases are as follows:

	Three months ended March 31,	
thousands	**2024**	**2023**
Total minimum rent payments	$ 5,161	$ 4,784

Total future minimum rents associated with operating leases are as follows:

thousands	Total Minimum Rent
Remainder of 2024	$ 15,847
2025	21,879
2026	19,481
2027	19,605
2028	19,703
Thereafter	106,227
Total	**$ 202,742**

Minimum rent revenues are recognized on a straight-line basis over the terms of the related leases when collectability is reasonably assured and the tenant has taken possession of, or controls, the physical use of the leased asset. Percentage rent in lieu of fixed minimum rent is recognized as sales are reported from tenants. Minimum rent revenues reported on the Unaudited Condensed Combined Statements of Operations also include amortization related to above and below-market tenant leases on acquired properties.

11. Segments

The Company has three business segments that offer different products and services. The Company's three segments are managed separately as each requires different operating strategies or management expertise. Adjusted EBITDA is used to assess operating results for each of the Company's business segments. The Company defines Adjusted EBITDA as earnings before interest, taxes, depreciation, amortization, equity in earnings (losses) from unconsolidated ventures, general and administrative expenses, and other expenses. The Company's segments or assets within such segments could change in the future as development of certain properties commences or other operational or management changes occur. All operations are within the United States. The Company's reportable segments are as follows:

- ***Landlord Operations*** – consists of the Company's rental operations associated with over 470,000 square feet of properties situated in three primary locations at the Seaport in New York, New York: Pier 17, Historic Area/Uplands and Tin Building, as well as the 250 Water Street development.
- ***Hospitality*** – consists of restaurant and retail businesses in the Historic District and Pier 17 that are owned, either wholly or through joint ventures, and operated by the Company or through license and management agreements, and also includes the equity interest in Jean-Georges Restaurants.
- ***Sponsorships, Events, and Entertainment*** – consists of baseball operations of the Aviators and Las Vegas Ballpark along with sponsorships, events, and other revenue generated at the Seaport in New York, New York.

Segment operating results are as follows:

thousands	Landlord Operations	Hospitality	Sponsorships, Events, and Entertainment	Total
Three months ended March 31, 2024				
Total revenues	$ 6,470	$ 4,004	$ 4,180	$ 14,654
Total segment expenses	(8,461)	(6,220)	(6,597)	(21,278)
Segment Adjusted EBITDA	(1,991)	(2,216)	(2,417)	(6,624)
Depreciation and amortization				(8,074)
Interest expense, net				(2,546)
Equity in losses from unconsolidated ventures				(10,280)
Corporate expenses and other items				(16,554)
Loss before income taxes				(44,078)
Income tax benefit (expense)				—
Net loss				**$ (44,078)**
Three months ended March 31, 2023				
Total revenues	$ 5,445	$ 5,222	$ 4,081	$ 14,748
Total segment expenses	(7,469)	(7,579)	(6,918)	(21,966)
Segment Adjusted EBITDA	(2,024)	(2,357)	(2,837)	(7,218)
Depreciation and amortization				(13,230)
Interest expense, net				(630)
Equity in losses from unconsolidated ventures				(10,820)
Corporate expenses and other items				(5,859)
Loss before income taxes				(37,757)
Income tax benefit (expense)				—
Net loss				**$ (37,757)**

The following represents assets by segment and the reconciliation of total segment assets to Total assets in the Unaudited Condensed Combined Balance Sheets as of:

thousands	March 31, 2024	December 31, 2023
Landlord Operations	$ 408,410	$ 411,871
Hospitality	68,748	64,816
Sponsorships, Events, and Entertainment	132,598	135,121
Total segment assets	609,756	611,808
Corporate	4,973	5,005
Total assets	**$ 614,729**	**$ 616,813**

12. Related-Party Transactions

The Company has not historically operated as a standalone business and has various relationships with the Parent whereby the Parent provides services to the Company. The Company also engages in transactions with CCMC and generates rental revenue by leasing space to equity method investees, which are related parties, as described below.

Net Transfers from Parent As discussed in Note 1 – *Summary of Significant Accounting Policies* in the basis of presentation section and below, net parent investment is primarily impacted by allocation of expenses for certain

services related to shared functions provided by the Parent and contributions from the Parent which are the result of net funding provided by or distributed to Parent. The components of net parent investment are:

thousands	Three months ended March 31, 2024	2023
Net transfers from Parent as reflected in the Unaudited Condensed Combined Statements of Cash Flows	$ 47,659	$ 22,242
Non-cash stock compensation expense	658	292
Net transfers from Parent as reflected in the Unaudited Condensed Combined Statements of Equity	**$ 48,317**	**$ 22,534**

Corporate Overhead and Other Allocations The Parent provides the Company certain services, including (1) certain support functions that are provided on a centralized basis within HHH, including, but not limited to executive oversight, treasury, accounting, finance, internal audit, legal, information technology, human resources, communications, and risk management; and (2) employee benefits and compensation, including stock-based compensation. The Company's Unaudited Condensed Combined Financial Statements reflect an allocation of these costs. When specific identification or a direct attribution of costs based on time incurred for the Company's benefit is not practicable, a proportional cost method is used, primarily based on revenue, headcount, payroll costs or other applicable measures.

The allocation of expenses, net of amounts capitalized, from Parent to the Company were reflected as follows in the Unaudited Condensed Combined Statements of Operations:

thousands	Three months ended March 31, 2024	2023
Operating costs	$ 200	$ 133
General and administrative	3,426	2,827
Other income, net	(8)	(8)
Total	**$ 3,618**	**$ 2,952**

Allocated expenses recorded in operating costs, general and administrative expenses, and other income, net in the table above primarily include the allocation of employee benefits and compensation costs, including stock compensation expense, as well as overhead and other costs for shared support functions provided by the Parent on a centralized basis. Operating costs as provided in the table above include immaterial expenses recorded to hospitality costs and sponsorships, events, and entertainment costs with the remainder recorded to operating costs. During the three months ended March 31, 2024, the Company capitalized costs of $0.4 million and $0.2 million that were incurred by the Parent for the Company's benefit in Developments and Buildings and equipment, respectively. During the three months ended March 31, 2023, the Company capitalized costs of $0.6 million and $0.1 million that were incurred by the Parent for the Company's benefit in Developments and Building and equipment, respectively.

The financial information herein may not necessarily reflect the combined financial position, results of operations, and cash flows of the Company in the future or what they would have been had the Company been a separate, standalone entity during the periods presented. Management believes that the methods used to allocate expenses to the Company are reasonable; however, the allocations may not be indicative of actual expenses that would have been incurred had the Company operated as an independent, publicly traded company for the periods presented. Actual costs that the Company may have incurred had it been a standalone company would depend on a number of factors, including the chosen organizational structure, whether functions were outsourced or performed by the Company employees and strategic decisions made in areas such as executive leadership, corporate infrastructure, and information technology.

Unless otherwise stated, these intercompany transactions between the Company and Parent have been included in these Unaudited Condensed Combined Financial Statements and are considered to be effectively settled at the time the transaction is recorded. The total net effect of the settlement of these intercompany transactions is reflected

in the Unaudited Condensed Combined Statements of Cash Flows as a financing activity and in the Unaudited Condensed Combined Balance Sheets as net parent investment.

Stock Compensation The Company's employees participate in Parent's stock-compensation plan and the Company is allocated a portion of stock compensation expense based on the services provided to the Company. The non-cash stock compensation expense for employee services directly attributable to the Company totaled $0.7 million and $0.3 million for the three months ended March 31, 2024 and 2023, respectively, and is included within general and administrative expenses in the Unaudited Condensed Combined Statements of Operations and included in the table above. These expenses are presented net of $0.4 million and $0.2 million capitalized to development projects during the three months ended March 31, 2024 and 2023, respectively. Employee benefits and compensation expense, including stock-based compensation expense, related to the Parent employees who provide shared services to the Company have also been allocated to the Company and is recorded in general and administrative expenses in the Unaudited Condensed Combined Statements of Operations and included in the table above.

Related-party Management Fees The Parent provides management services to the Company for managing its real estate assets and the Company reimburses Parent for expenses incurred and pays Parent a management fee for services provided. The amounts outstanding pursuant to the management fee agreement between the Company and Parent are cash settled each month and are reflected in the Unaudited Condensed Combined Balance Sheets as related-party payables to the extent unpaid as of each balance sheet date. During the three months ended March 31, 2024 and 2023, the Unaudited Condensed Combined Balance Sheets reflects immaterial outstanding payables due to Parent with respect to the landlord management fees. These landlord management fees amounted to $0.1 million and $0.1 million for the three months ended March 31, 2024 and 2023, respectively.

As discussed in Note 2 – *Investments in Unconsolidated Ventures*, CCMC, a wholly owned subsidiary of Jean-Georges Restaurants, which is a related party of the Company, also provides management services for certain of the Company's retail and food and beverage businesses, either wholly owned or through partnerships with third parties. The Company's businesses managed by CCMC include, but are not limited to, locations such as The Tin Building by Jean-Georges, The Fulton, and Malibu Farm. Pursuant to the various management agreements, CCMC is responsible for employment and supervision of all employees providing services for the food and beverage operations and restaurant as well as the day-to-day operations and accounting for the food and beverage operations. As of March 31, 2024, and December 31, 2023, the Unaudited Condensed Combined Balance Sheets reflect receivables for funds provided to CCMC with respect to the management fees of $1.9 million and $1.2 million, respectively and accounts payable of $0.7 million and $0.2 million, respectively due to CCMC with respect to reimbursable expenses to be funded by the Company. The Company's related-party management fees due to CCMC amounted to $0.5 million during the three months ended March 31, 2024 and $0.5 million during the three months ended March 31, 2023.

Related-party Rental Revenue The Company owns the real estate assets that are leased by Lawn Club and the Tin Building by Jean-Georges. The Company also leased space to the Ssäm Bar through the third quarter of 2023. As discussed in Note 2 – *Investments in Unconsolidated Ventures*, the Company owns a noncontrolling interest in these ventures and accounts for its interests in accordance with the equity method.

As of March 31, 2024, and December 31, 2023, the Unaudited Condensed Combined Balance Sheets reflect accounts receivable of $0.2 million and $0.1 million, respectively, due from these ventures generated by rental revenue earned by the Company.

During the three months ended March 31, 2024 and 2023, the Unaudited Condensed Combined Income Statements reflect rental revenue associated with these related parties of $2.9 million and $2.9 million, respectively. This is primarily comprised of $2.9 million and $2.8 million from the Tin Building by Jean-Georges during the three months ended March 31, 2024 and 2023, respectively.

Related-party Other Receivables As of March 31, 2024, and December 31, 2023, the Unaudited Condensed Combined Balance Sheets include a $1.1 million and $3.1 million receivable related to development costs incurred by the Company, which will be reimbursed by the Lawn Club venture.

13. Subsequent Events

The Company has evaluated the effects of subsequent events through May 23, 2024, the date the Unaudited Condensed Combined financial statements were available for issuance.



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Report of Independent Registered Public Accounting Firm

To the Stockholders and Board of Directors of Howard Hughes Holdings Inc.
Seaport Entertainment Division of Howard Hughes:

Opinion on the Combined Financial Statements

We have audited the accompanying combined balance sheets of Seaport Entertainment Division of Howard Hughes (the Company) as of December 31, 2023 and 2022, the related combined statements of operations, equity, and cash flows for each of the years in the three-year period ended December 31, 2023, and the related notes and financial statement Schedule III (collectively, the combined financial statements). In our opinion, the combined financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2023 and 2022, and the results of its operations and its cash flows for each of the years in the three-year period ended December 31, 2023, in conformity with U.S. generally accepted accounting principles.

Going Concern

The accompanying combined financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 1 to the combined financial statements, the Company does not currently have, nor does it expect to generate from operations, adequate liquidity to fund its operations which raises substantial doubt about its ability to continue as a going concern. Management's plans in regard to these matters are also described in Note 1. The combined financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Carve-out Basis of Accounting

As discussed in Note 1, the combined financial statements have been prepared on a "carve-out" basis from the financial statements of Howard Hughes Holdings Inc. (Parent) to reflect attribution of certain assets and liabilities that have been held at Parent which are specifically identifiable or attributable to the Company as well as allocations deemed reasonable by management to present the results of operations, financial position and cash flows of the Company on a standalone basis and may not reflect the results of operations, financial position and cash flows had the Company operated as a standalone company during the period presented. Our Opinion is not modified with respect to this matter.

Basis for Opinion

These combined financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these combined financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB and in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the combined financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the combined financial statements, whether due to error or fraud, and performing procedures that respond to those

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risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the combined financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the combined financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ KPMG LLP

We have served as the Company's auditor since 2022.

Dallas, Texas
May 23, 2024

SEAPORT ENTERTAINMENT DIVISION OF HOWARD HUGHES

COMBINED BALANCE SHEETS

thousands	December 31, 2023	December 31, 2022
ASSETS		
Buildings and equipment	$ 528,299	$ 956,943
Less: accumulated depreciation	(203,208)	(161,637)
Land	9,497	21,231
Developments	102,874	276,322
Net investment in real estate	437,462	1,092,859
Investments in unconsolidated ventures	37,459	69,814
Cash and cash equivalents	1,834	16,448
Restricted cash	42,011	50,265
Accounts receivable, net	13,672	8,203
Deferred expenses, net	4,379	4,451
Operating lease right-of-use assets, net	40,884	41,500
Other assets, net	39,112	30,975
Total assets	**$ 616,813**	**$ 1,314,515**
LIABILITIES		
Mortgages payable, net	$ 155,628	$ 144,181
Operating lease obligations	48,153	46,349
Deferred tax liabilities, net	-	2,187
Accounts payable and other liabilities	28,139	25,612
Total liabilities	**231,920**	**218,329**
Commitments and Contingencies (see Note 8)		
EQUITY		
Net parent investment	384,893	1,096,186
Total equity	**384,893**	**1,096,186**
Total liabilities and equity	**$ 616,813**	**$ 1,314,515**

See Notes to Combined Financial Statements.

SEAPORT ENTERTAINMENT DIVISION OF HOWARD HUGHES

COMBINED STATEMENTS OF OPERATIONS

thousands	Year Ended December 31, 2023	2022	2021
REVENUES			
Sponsorships, events, and entertainment revenue	$ 60,623	$ 55,724	$ 41,504
Hospitality revenue	32,951	42,565	29,632
Rental revenue	22,096	19,810	7,978
Other revenue	8	947	3,506
Total revenues	**115,678**	**119,046**	**82,620**
EXPENSES			
Sponsorships, events, and entertainment costs	47,466	38,764	29,260
Hospitality costs	31,432	38,037	27,643
Operating costs	41,219	44,048	41,870
Provision for doubtful accounts	459	1,412	161
General and administrative	30,536	16,977	17,214
Depreciation and amortization	48,432	47,356	41,612
Other	81	58	977
Total expenses	**199,625**	**186,652**	**158,737**
OTHER			
Provision for impairment	(672,492)	-	-
Other income, net	33	935	198
Total other	**(672,459)**	**935**	**198**
Operating loss	**(756,406)**	**(66,671)**	**(75,919)**
Interest expense, net	(3,166)	(4,013)	(6,534)
Equity in losses from unconsolidated ventures	(80,633)	(37,124)	(1,988)
Loss on extinguishment of debt	(47)	-	-
Loss before income taxes	**(840,252)**	**(107,808)**	**(84,441)**
Income tax (benefit) expense	(2,187)	3,469	(3,575)
Net loss	**$ (838,065)**	**$ (111,277)**	**$ (80,866)**

See Notes to Combined Financial Statements.

SEAPORT ENTERTAINMENT DIVISION OF HOWARD HUGHES

COMBINED STATEMENTS OF CASH FLOWS

thousands	Year Ended December 31, 2023	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES			
Net loss	$ (838,065)	$ (111,277)	$ (80,866)
Adjustments to reconcile net loss to cash used in operating activities:			
Depreciation	45,030	43,985	38,698
Amortization	3,402	3,371	2,914
Amortization of deferred financing costs	463	500	527
Straight-line rent amortization	(216)	(871)	284
Stock compensation expense	1,495	869	483
Deferred income taxes	(2,187)	3,469	(3,575)
Other	1,178	1,820	—
Loss on extinguishment of debt	47	—	—
Impairment charges	672,492	—	—
Equity in losses from unconsolidated ventures, net of distributions and impairment charges	81,364	37,124	1,988
Provision for (recovery of) doubtful accounts	328	(2,268)	1,311
Net Changes:			
Accounts receivable	(5,285)	671	(2,638)
Other assets, net	(12,254)	1,575	(1,995)
Deferred expenses, net	(175)	(2,329)	(152)
Accounts payable and other liabilities	1,603	(6,190)	7,209
Cash used in operating activities	**(50,780)**	**(29,551)**	**(35,812)**
CASH FLOWS FROM INVESTING ACTIVITIES			
Operating property improvements	(18,747)	(12,206)	(9,215)
Property development and redevelopment	(44,047)	(85,714)	(92,758)
Investments in unconsolidated ventures	(45,527)	(100,112)	(1,162)
Distributions from unconsolidated ventures	19	—	—
Cash used in investing activities	**(108,302)**	**(198,032)**	**(103,135)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from mortgages payable	115,000	—	—
Deferred financing costs	(2,251)	(295)	—
Principal payments on mortgages payable	(101,812)	(1,910)	(1,747)
Net transfers from Parent	125,277	239,617	185,922
Cash provided by financing activities	**136,214**	**237,412**	**184,175**
Net change in cash, cash equivalents and restricted cash	(22,868)	9,829	45,228
Cash, cash equivalents and restricted cash at beginning of period	66,713	56,884	11,656
Cash, cash equivalents and restricted cash at end of period	**$ 43,845**	**$ 66,713**	**$ 56,884**

thousands	Year Ended December 31, 2023	2022	2021
RECONCILIATION OF CASH, CASH EQUIVALENTS AND RESTRICTED CASH			
Cash and cash equivalents	$ 1,834	$ 16,448	$ 12,989
Restricted cash	42,011	50,265	43,895
Cash, cash equivalents and restricted cash at end of period	**$ 43,845**	**$ 66,713**	**$ 56,884**
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION			
Interest paid	$ 11,227	$ 7,456	$ 5,454
Interest capitalized	8,537	4,028	—
NON-CASH TRANSACTIONS			
Initial recognition of ASC 842 operating leases ROU asset	$ —	$ —	$ 6,189
Initial recognition of ASC 842 operating lease obligation	—	—	6,189
Accrued property improvements, developments, and redevelopments	3,344	(12,408)	2,911
Capitalized stock compensation	1,277	3,005	1,401

See Notes to Combined Financial Statements.

SEAPORT ENTERTAINMENT DIVISION OF HOWARD HUGHES

COMBINED STATEMENTS OF EQUITY

thousands	Net parent investment	Total equity
Balance, December 31, 2020	**$ 861,438**	**$ 861,438**
Net loss	(80,866)	(80,866)
Net transfers from parent	186,405	186,405
Balance, December 31, 2021	**$ 966,977**	**$ 966,977**
Net loss	(111,277)	(111,277)
Net transfers from parent	240,486	240,486
Balance, December 31, 2022	**$ 1,096,186**	**$ 1,096,186**
Net loss	(838,065)	(838,065)
Net transfers from parent	126,772	126,772
Balance, December 31, 2023	**$ 384,893**	**$ 384,893**

See Notes to Combined Financial Statements.

1. Summary of Significant Accounting Policies

Description of the Company On July 17, 2023, The Howard Hughes Corporation (“HHC”) announced that its Board of Directors authorized the creation of a holding company structure. On August 11, 2023, upon the consummation of the transaction, Howard Hughes Holdings Inc. (“HHH” or “Parent”), the new parent holding company, replaced HHC as the public company trading on the New York Stock Exchange. Existing shares of common stock of HHC were automatically converted, on a one-for-one basis, into shares of common stock of HHH, with the same designations, rights, powers, and preferences, and the same qualifications, limitations, and restrictions, as the shares of HHC common stock immediately prior to the reorganization. HHH became the successor issuer to HHC pursuant to Rule 12g-3 (a) under the Exchange Act and replaced HHC as the public company trading on the New York Stock Exchange.

On October 5, 2023, HHH announced its intent to form a new division, the Seaport Entertainment division of Howard Hughes (the "Company"), that includes HHH’s entertainment-related real estate assets and operations, which are concentrated in New York and Las Vegas, including the Seaport in Lower Manhattan (the “Seaport”), a 25% ownership stake in Jean-Georges Restaurants as well as other partnerships, the Las Vegas Aviators Triple-A Minor League Baseball team (the “Aviators”) and the Las Vegas Ballpark, and an interest in and to 80% of the air rights above the Fashion Show mall in Las Vegas.

HHH is establishing the Seaport Entertainment division with the intention of separating it into a stand-alone publicly traded company through the distribution of all of the outstanding shares of common stock of Seaport Entertainment to HHH’s stockholders on a pro rata basis in a distribution intended to be tax-free for U.S. federal income tax purposes, except for cash received in lieu of fractional shares of common stock. While HHH currently intends to effect the distribution, subject to the satisfaction of certain conditions, HHH has no obligation to pursue or consummate any disposition of its ownership of Seaport Entertainment, including through the distribution, by any specified date, or at all. The planned separation and distribution of the Seaport Entertainment division from Howard Hughes will refine the identity of HHH as a pure-play real estate company focused solely on its portfolio of master planned communities and allow the new company to own, operate and develop a unique collection of assets independently positioned at the intersection of entertainment and real estate. To date, Seaport Entertainment has not conducted any business as a separate company.

COVID-19 Pandemic The 2020 outbreak of the novel strain of the coronavirus (COVID-19) resulted in a global slowdown of economic activity including worldwide travel restrictions, prohibitions of non-essential work activities, and the disruption and shutdown of businesses, all of which resulted in significant uncertainty in global financial market. This had an adverse impact on the Company’s financial performance in 2020, with the closure or limited operation of the Seaport properties throughout the year, and the cancellation of the 2020 concert series and Aviators baseball season. The impact of COVID-19 notably lessened during 2021, with Seaport operations returning to full capacity by the end of the year, including the return of the 2021 concert series and Aviators baseball season. The Company did not experience adverse effects related to COVID-19 in 2022 and 2023.

Principles of Combination and Basis of Presentation The accompanying Combined Financial Statements have been prepared on a standalone basis derived from the consolidated financial statements and accounting records of HHH. These statements reflect the combined historical results of operations, financial position, and cash flows of the Seaport Entertainment division of Howard Hughes in accordance with accounting principles generally accepted in the United States of America (“GAAP”).

The Combined Financial Statements include the attribution of certain assets and liabilities that have been held at Parent which are specifically identifiable or attributable to the Company. The assets and liabilities in the carve-out financial statements have been presented on a historical cost basis.

All significant intercompany transactions within the Company have been eliminated. All transactions between the Company and Parent are considered to be effectively settled in the Combined Financial Statements at the time the transaction is recorded, other than transactions described in Note 14 – *Related-Party Transactions* that have historically been settled in cash. The total net effect of the settlement of these intercompany transactions is reflected

in the Combined Statements of Cash Flows as a financing activity and in the Combined Balance Sheets as net parent investment.

These Combined Financial Statements include expense allocations for: (1) certain support functions that are provided on a centralized basis within HHH, including, but not limited to property management, development, executive oversight, treasury, accounting, finance, internal audit, legal, information technology, human resources, communications, facilities, and risk management; and (2) employee benefits and compensation, including stock-based compensation. These expenses have been allocated to the Company on the basis of direct time spent on Company projects where identifiable, with the remainder allocated on a basis of revenue, headcount, payroll costs, or other applicable measures. For an additional discussion and quantification of expense allocations, see Note 14 – *Related-Party Transactions*.

Management believes the assumptions underlying these Combined Financial Statements, including the assumptions regarding allocated expenses, reasonably reflect the utilization of services provided to or the benefit received by the Company during the periods presented. Nevertheless, the Combined Financial Statements may not reflect the results of operations, financial position and cash flows had the Company been a standalone company during the periods presented. Actual costs that the Company may have incurred had it been a standalone company would depend on several factors, including the chosen organization structure, whether functions were outsourced or performed by its employees and strategic decisions made in areas such as executive leadership, corporate infrastructure, and information technology.

Debt obligations and related financing costs of Parent have not been included in the Combined Financial Statements of the Company, because the Company's business is not a party to the obligations between Parent and the debt holders. Further, the Company does not guarantee any of Parent's debt obligations.

The income tax provision in the Combined Statements of Operations has been calculated as if the Company was operating on a standalone basis and filed separate tax returns in the jurisdictions in which it operates. Therefore, cash tax payments and items of current and deferred taxes may not be reflective of the Company's actual tax balances prior to or subsequent to the carve-out.

HHH maintains stock-based compensation plans at a corporate level. The Company's employees participate in such plans and the portion of the cost of those plans related to the Company's employees is included in the Combined Statements of Operations. However, the Combined Balance Sheets does not include any equity issued related to stock-based compensation plans.

The equity balance in these Combined Financial Statements represents the excess of total assets over total liabilities, including intercompany balances between the Company and Parent (net parent investment).

Liquidity and Going Concern The Company historically managed liquidity risk by effectively managing its operations, capital expenditures, development and redevelopment activities, and cash flows, making use of a central treasury function and other shared services provided by the Parent. The Company does not currently have, nor does it expect to generate from operations, adequate liquidity to fund its operations for the next twelve months. To mitigate such conditions, the Parent has committed to support the operating, investing and financing activities of the Company by contributing capital to the Company prior to the separation and distribution.

Management believes that cash on hand and the financial support from Parent will provide sufficient liquidity to meet the Company's projected obligations for at least twelve months from May 23, 2024, the date these Combined Financial Statements were available to be issued.

The Combined Financial Statements for the Company have been prepared on the basis of accounting policies applicable to a going concern. The going concern basis presumes that for the foreseeable future, funds will be available to finance future operations and that the realization of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

Variable Interest Entities The Company has interests in various legal entities that represent a variable interest entity. A VIE is an entity: (a) that has total equity at risk that is not sufficient to permit the entity to finance its

activities without additional subordinated financial support from other entities; (b) where the group of equity holders does not have the power to direct the activities of the entity that most significantly impact the entity's economic performance, or the obligation to absorb the entity's expected losses or the right to receive the entity's expected residual return, or both (i.e., lack the characteristics of a controlling financial interest); or (c) where the voting rights of the equity holders are not proportional to their obligations to absorb the expected losses of the entity, their rights to receive the expected residual returns of the entity, or both, and substantially all of the entity's activities either involve or are conducted on behalf of an investor that has disproportionately few voting rights.

The Company determines if a legal entity is a VIE by performing a qualitative analysis that requires certain subjective decisions, taking into consideration the design of the entity, the variability that the entity was designed to create and pass along to its interest holders, the rights of the parties and the purpose of the arrangement. Upon the occurrence of certain reconsideration events, the Company reassesses its initial determination as to whether the entity is a VIE.

The Company also performs a qualitative assessment of each VIE to determine if it is the primary beneficiary. The Company is the primary beneficiary and would consolidate the VIE if it has a controlling financial interest where it has both (a) the power to direct the economically significant activities of the entity and (b) the obligation to absorb losses of, or the right to receive benefits from, the entity that could potentially be significant to the VIE. This assessment requires certain subjective decisions, taking into consideration the contractual agreements that define the ownership structure, the design of the entity, distribution of profits and losses, risks, responsibilities, indebtedness, voting rights and board representation of the respective parties. Management's assessment of whether the Company is the primary beneficiary of a VIE is continuously performed.

Upon initial consolidation of a VIE, the Company records the assets, liabilities and noncontrolling interests at fair value and recognizes a gain or loss for the difference between (i) the fair value of the consideration paid, the fair value of noncontrolling interests and the reported amount of any previously held interests and (ii) the net amount of the fair value of the assets and liabilities.

If the Company determines it is no longer the primary beneficiary of a VIE, it will deconsolidate the entity and measure the initial cost basis for any retained interests that are recorded upon the deconsolidation at fair value. The Company will recognize a gain or loss for the difference between the fair value and the previous carrying amount of its investment in the VIE.

The Company was not the primary beneficiary of any VIE's during 2023, 2022, and 2021 and, therefore; the Company does not consolidate any VIE's in which it holds a variable interest.

Investments in Unconsolidated Ventures The Company's investments in unconsolidated ventures are accounted for under the equity method to the extent that, based on contractual rights associated with the investments, the Company can exert significant influence over a venture's operations. Under the equity method, the Company's investment in the venture is recorded at cost and is subsequently adjusted to recognize the Company's allocable share of the earnings or losses of the venture. Dividends and distributions received by the Company are recognized as a reduction in the carrying amount of the investment. Generally, joint venture operating agreements provide that assets, liabilities, funding obligations, profits and losses, and cash flows are shared in accordance with ownership percentages. For certain equity method investments, various provisions in the joint venture operating agreements regarding distributions of cash flow based on capital account balances, allocations of profits and losses and preferred returns may result in the Company's economic interest differing from its stated ownership or if applicable, the Company's final profit-sharing interest after receipt of any preferred returns based on the venture's distribution priorities. For these investments, the Company recognizes income or loss based on the joint venture's distribution priorities, which could fluctuate over time and may be different from its stated ownership or final profit-sharing percentage.

The Company periodically assesses the appropriateness of the carrying amount of its equity method investments, as events or changes in circumstance may indicate that a decrease in value has occurred which is other-than-temporary. In addition to the property-specific impairment analysis performed on the underlying assets of the investment, the Company also considers the ownership, distribution preferences, limitations and rights to sell and

repurchase its ownership interests. If a decrease in value of an investment is deemed to be other-than-temporary, the investment is reduced to its estimated fair value and an impairment-related loss is recognized in the Combined Statements of Operations as a component of Equity in earnings (losses) from investments in unconsolidated ventures.

For investments in ventures where the Company has virtually no influence over operations and the investments do not have a readily determinable fair value, the Company has elected the measurement alternative to carry the securities at cost less impairment, if any, plus or minus changes resulting from observable price changes in orderly transactions for the identical or similar investment of the issuer. Equity securities not accounted for under the equity method, or where the measurement alternative has not been elected, are required to be reported at fair value with unrealized gains and losses reported in the Combined Statements of Operations as Net unrealized gains (losses) on instruments measured at fair value through earnings.

Use of Estimates The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. The estimates and assumptions include, but are not limited to, capitalization of development costs, provision for income taxes, future cash flows used in impairment analysis and fair value used in impairment calculations, recoverable amounts of receivables and deferred tax assets, initial valuations of tangible and intangible assets acquired and the related useful lives of assets upon which depreciation and amortization is based. Estimates and assumptions have also been made with respect to future revenues and costs. Actual results could differ from these and other estimates.

Segments Segment information is prepared on the same basis that management reviews information for operational decision-making purposes. Management evaluates the performance of each of the Company's real estate assets and investments individually and aggregates such properties and investments into segments based on their economic characteristics and types of revenue streams. The Company operates in three business segments: (i) Landlord Operations, (ii) Hospitality, and (iii) Sponsorships, Events, and Entertainment.

Net Investment in Real Estate

Buildings and Equipment and Land Real estate assets are stated at cost less any provisions for impairments and depreciation as applicable. Expenditures for significant improvements to the Company's assets are capitalized. Tenant improvements relating to the Company's real estate assets are capitalized and depreciated over the shorter of their economic lives or the lease term. Maintenance and repair costs are charged to expense when incurred.

Depreciation The Company periodically reviews the estimated useful lives of Building and Equipment. Depreciation or amortization expense is computed using the straight-line method based upon the following estimated useful lives:

Asset Type	Years	Balance Sheet Location
Buildings and improvements	7 - 40	Buildings and Equipment
Equipment and fixtures	5 - 20	Buildings and Equipment
Computer hardware and software, and vehicles	3 - 5	Buildings and Equipment
Tenant improvements	Related lease term	Buildings and Equipment
Leasing costs	Related lease term	Other assets, net

From time to time, the Company may reassess the development strategies for certain buildings and improvements which results in changes to the Company's estimate of their remaining useful lives. The Company did not recognize additional depreciation expense of significance for the years ended December 31, 2023, 2022, and 2021.

Developments Development costs, which primarily include direct costs related to placing the asset in service associated with specific development properties, are capitalized as part of the property being developed. Construction and improvement costs incurred in connection with the development of new properties, or the

redevelopment of existing properties are capitalized before they are placed into service. Costs include planning, engineering, design, direct material, labor and subcontract costs. Real estate taxes, utilities, direct legal and professional fees related to the sale of a specific unit, interest, insurance costs and certain employee costs incurred during construction periods are also capitalized. Capitalization commences when the development activities begin and cease when a project is completed, put on hold or at the date that the Company decides not to move forward with a project. Capitalized costs related to a project where the Company has determined not to move forward are expensed if they are deemed not recoverable. Capitalized interest costs are based on qualified expenditures and interest rates in place during the construction period. Demolition costs associated with redevelopments are expensed as incurred unless the demolition was included in the Company's development plans and imminent as of the acquisition date of an asset. Once an asset is placed into service, it is depreciated in accordance with the Company's policy. In the event that management no longer has the ability or intent to complete a development, the costs previously capitalized are evaluated for impairment.

Developments consist of the following categories as of December 31:

thousands	2023	2022
Land and improvements	$ 51,718	$ 179,471
Development costs	51,156	96,851
Total Developments	**$ 102,874**	**$ 276,322**

Acquisitions of Properties The Company accounts for the acquisition of real estate properties in accordance with Accounting Standards Codification (ASC) 805 *Business Combinations* (ASC 805). This methodology requires that assets acquired, and liabilities assumed be recorded at their fair values on the date of acquisition for business combinations and at relative fair values for asset acquisitions. Acquisition costs related to the acquisition of a business are expensed as incurred. Costs directly related to asset acquisitions are considered additions to the purchase price and increase the cost basis of such assets.

The fair value of tangible assets of an acquired property (which includes land, buildings and improvements) is determined by valuing the property as if it were vacant, and the as-if-vacant value is then allocated to land, buildings and improvements based on management's determination of the fair value of these assets. The as-if-vacant values are derived from several sources which incorporate significant unobservable inputs that are classified as Level 3 inputs in the fair value hierarchy and primarily include a discounted cash flow analysis using discount and capitalization rates based on recent comparable market transactions, where available.

The fair value of acquired intangible assets consisting of in-place, above-market and below-market leases is recorded based on a variety of considerations, some of which incorporate significant unobservable inputs that are classified as Level 3 inputs in the fair value hierarchy. In-place lease considerations include, but are not necessarily limited to: (1) the value associated with avoiding the cost of originating the acquired in-place leases (i.e., the market cost to execute a lease, including leasing commissions and tenant improvements); (2) the value associated with lost revenue related to tenant reimbursable operating costs incurred during the assumed lease-up period (i.e., real estate taxes, insurance and certain other operating expenses); and (3) the value associated with lost rental revenue from existing leases during the assumed lease-up period. Above-market and below-market leases are valued at the present value, using a discount rate that reflects the risks associated with the leases acquired, of the difference between (1) the contractual amounts to be paid pursuant to the in-place lease; and (2) management's estimate of current market lease rates, measured over the remaining non-cancelable lease term, including any below-market renewal option periods.

Impairment The Company reviews its long-lived assets (including those held by its unconsolidated ventures) for potential impairment indicators whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized if the carrying amount of an asset is not recoverable and exceeds its fair value. The evaluation of anticipated cash flows is highly subjective and is based in part on assumptions regarding future economic conditions, such as occupancy, rental rates, capital requirements and sales values that could differ materially from actual results in future periods. If impairment indicators exist and it is

expected that undiscounted cash flows generated by the asset are less than its carrying amount, an impairment provision is recorded to write down the carrying amount of the asset to its fair value.

Impairment indicators include, but are not limited to, significant changes in projected completion dates, stabilization dates, operating revenues or cash flows, development costs, ongoing low occupancy, and market factors.

The cash flow estimates used both for determining recoverability and estimating fair value are inherently judgmental and reflect current and projected trends in rental, occupancy, pricing, development costs, sales pace and capitalization rates, and estimated holding periods for the applicable assets. Although the estimated fair value of certain assets may be exceeded by the carrying amount, a real estate asset is only considered to be impaired when its carrying amount is not expected to be recovered through estimated future undiscounted cash flows. To the extent an impairment provision is necessary, the excess of the carrying amount of the asset over its estimated fair value is expensed to operations. In addition, the impairment provision is allocated proportionately to adjust the carrying amount of the asset. The adjusted carrying amount, which represents the new cost basis of the asset, is depreciated over the remaining useful life of the asset. Assets that have been impaired will in the future have lower depreciation and cost of sale expenses. The impairment will have no impact on cash flow.

Cash and Cash Equivalents Cash and cash equivalents consist of highly liquid investments with maturities at date of purchase of three months or less and deposits with major banks throughout the United States. Such deposits are in excess of FDIC limits and are placed with high-quality institutions in order to minimize concentration of counterparty credit risk.

Restricted Cash Restricted cash reflects amounts segregated in escrow accounts in the name of the Company, primarily related to development activity at 250 Water Street and other amounts related to payment of principal and interest on the Company's outstanding mortgages payable.

Accounts Receivable, net Accounts receivable includes tenant receivables, straight-line rent receivables, and other receivables. On a quarterly basis, management reviews tenant receivables and straight-line rent assets for collectability. As required under ASC 842 *Leases* (ASC 842), this analysis includes a review of past due accounts and considers factors such as the credit quality of tenants, current economic conditions and changes in customer payment trends. When full collection of a lease receivable or future lease payment is not probable, a reserve for the receivable balance is charged against rental revenue and future rental revenue is recognized on a cash basis. The Company also records reserves for estimated losses under ASC 450 *Contingencies* (ASC 450) if the estimated losses are probable and can be reasonably estimated.

Other receivables primarily related to short-term trade receivables. The Company is exposed to credit losses through the sale of goods and services to customers. As required under ASC 326 *Financial Instruments – Credit Losses* (ASC 326), the Company assesses its exposure to credit loss related to these receivables on a quarterly basis based on historical collection experience and future expectations by portfolio. As of December 31, 2023 and 2022, there were no material past due receivables and there have been no material write-offs or recoveries of amounts previously written-off.

The following table represents the components of Accounts Receivable, net of amounts considered uncollectible, in the accompanying Combined Balance Sheets as of December 31:

thousands	2023	2022
Tenant receivables	$ 875	$ 1,300
Straight-line rent receivables	3,353	3,136
Other receivables	9,444	3,767
Accounts receivable, net [(a)]	**$ 13,672**	**$ 8,203**

(a) As of December 31, 2023 and 2022, the total reserve balance was $1.4 million.

The following table summarizes the impacts of the collectability reserves in the accompanying Combined Statements of Operations for the years ended December 31:

thousands

Statements of Operations Location	2023	2022	2021
Rental revenue	$ 288	$ (3,305)	$ 1,314
Provision for doubtful accounts	459	1,412	161
Total (income) expense impact	**$ 747**	**$ (1,893)**	**$ 1,475**

As of December 31, 2023, two customers had an accounts receivable balance of $2.1 million and $1.7 million, which represented approximately 15.1% and 12.2% of the Company's accounts receivable balance, respectively. Additionally, one related party accounted for approximately $3.1 million, which represented approximately 22.8% of the Company's accounts receivable. See Note 14 – *Related-Party Transactions* for additional information.

As of December 31, 2022, three customers had an accounts receivable balance of $1.5 million, $1.3 million, and $1.0 million, which represented 17.7%, 16.3%, and 12.4% of the Company's accounts receivable, respectively.

Other Assets, net The major components of Other assets, net include various intangibles, security deposits, prepaid expenses, and food and beverage and merchandise inventory related to the Company's properties.

The Company's intangibles include the player development license agreement with Major League Baseball ("MLB") and other intangibles relating to the Aviators. The Company amortizes finite-lived intangible assets less any residual value, if applicable, on a straight-line basis over the term of the related lease or the estimated useful life of the asset. Refer to Note 5 - *Intangibles* for additional information.

Security and other deposits primarily includes a $13.8 million collateral deposit associated with the 250 Water Street mortgage refinancing.

Food and beverage and merchandise inventory is stated at lower of cost or market with cost being determined on a first-in, first-out basis for food and beverage inventory and average cost for merchandise inventory.

Income Taxes The Company utilizes the asset and liability method of accounting for income taxes. Under this method, deferred tax assets and liabilities are determined based on the difference between the financial statements carrying amounts and tax bases of assets and liabilities using enacted tax rates in effect for years in which the temporary differences are expected to reverse. Deferred income taxes also reflect the impact of operating loss and tax credit carryforwards.

The Company periodically assesses the realizability of its deferred tax assets. If the Company concludes that it is more likely than not that some of the deferred tax assets will not be realized, the tax asset is reduced by a valuation allowance. The Company considers many factors when assessing the likelihood of future realization of deferred tax assets, including expectations of future taxable income, carryforward periods available to the Company for tax reporting purposes, various income tax strategies and other relevant factors. In addition, interest and penalties related to uncertain tax positions, if necessary, are recognized in income tax expense.

Deferred Expenses, net Deferred expenses consist principally of leasing costs. Deferred leasing costs are amortized using the straight-line method over the related lease term. Deferred expenses are shown net of accumulated amortization of $0.8 million and $0.6 million as of December 31, 2023 and 2022, respectively.

Marketing and Advertising The Company incurs various marketing and advertising costs as part of development, branding, leasing or sales initiatives. These costs include special events, broadcasts, direct mail, and online digital and social media programs, and they are expensed as incurred. For the years ended December 31, 2023, 2022, and 2021, marketing and advertising expenses were $6.7 million, $5.1 million, and $4.1 million, respectively.

Fair Value of Financial Instruments The carrying values of cash and cash equivalents, escrows, receivables, accounts payable, accrued expenses, and other assets and liabilities are reasonable estimates of their fair values because of the short maturities of these instruments.

Stock-Based Compensation The Parent uses a stock-based compensation equity plan, including stock options, restricted stock awards and performance-based awards, to provide long-term incentives for its workforce. Stock-based compensation expense for the respective awards granted to the Company's employees has been reflected in the Combined Statements of Operations based on their fair values.

The stock-based compensation expense has been derived from the equity awards granted by Parent to the Company's employees. The Parent estimates the fair value of stock option awards using the Black-Scholes option-pricing model. Restricted stock awards are valued using the market price of the Parent's common stock on the grant date. For performance-based awards, the fair value of the market-condition portion of the award is measured using a Monte Carlo simulation, and the performance-condition portion is measured at the market price of the Parent's common stock on the grant date. The Parent records compensation cost for stock-based compensation awards over the requisite service period. If the requisite service period is satisfied, compensation cost is not adjusted unless the award contains a performance condition. If an award contains a performance condition, expense is recognized only for those shares that ultimately vest using the per-share fair value measured at the grant date. The Parent recognizes forfeitures as they occur.

As the stock-based compensation plans are Parent's plans and the awards are settled by Parent, the offset to the expense has been recognized through net parent investment on the Combined Balance Sheets. See Note 9 – *Stock-Based Compensation Plans* for additional information.

Revenue Recognition and Related Matters

Sponsorships, Events, and Entertainment Revenue Sponsorships, events, and entertainment revenue related to contracts with customers is generally comprised of baseball-related ticket sales, concert-related ticket sales, events-related service revenue, concession sales, and advertising and sponsorships revenue. Baseball season ticket sales are recognized over time as games take place. Single baseball and concert tickets are recognized at a point in time. The baseball and concert related payments are made in advance or on the day of the event. Events-related service revenue is recognized at the time the customer receives the benefit of the service, with a portion of related payments made in advance, as per the agreements, and the remainder of the payment made on the day of the event. For concession sales, the transaction price is the net amount collected from the customer at the time of service and revenue is recognized at a point in time when the food or beverage is provided to the customer. In all other cases, the transaction prices are fixed, stipulated in the ticket, and representative in each case of a single performance obligation.

Baseball-related and other advertising and sponsorship agreements allow third parties to display their advertising and products at the Company's venues for a certain amount of time and relate to a single performance obligation. The agreements generally cover a baseball season or other contractual period of time, and the related revenue is generally recognized on a straight-line basis over time, as time elapses, unless a specific performance obligation exists within the sponsorship contract where point-in-time delivery occurs and recognition at a specific performance or delivery date is more appropriate. Consideration terms for these services are fixed in each respective agreement is paid in accordance with individual contractual terms.

Sponsorships, events, and entertainment revenue is disclosed net of any refunds, which are settled and recorded at the time of an event cancellation. The Company does not accrue or estimate any obligations related to refunds.

Hospitality Revenue Hospitality revenue is generated by the Seaport restaurants. The transaction price is the net amount collected from the customer and is recognized as revenue at a point in time when the food or beverage is provided to the customer. These transactions are ordinarily settled with cash or credit card over a short period of time.

Rental Revenue Rental revenue is associated with the Company's Landlord Operations assets and is comprised of minimum rent, percentage rent in lieu of fixed minimum rent, tenant recoveries, and overage rent.

Minimum rent revenues are recognized on a straight-line basis over the terms of the related leases when collectability is reasonably assured and the tenant has taken possession of, or controls, the physical use of the leased asset. Percentage rent in lieu of fixed minimum rent is recognized as sales are reported from tenants. Minimum rent revenues also include amortization related to above and below-market tenant leases on acquired properties. Rent payments for landlord assets are due on the first day of each month during the lease term.

Recoveries from tenants are stipulated in the leases, are generally computed based upon a formula related to real estate taxes, insurance, and other real estate operating expenses, and are generally recognized as revenues in the period the related costs are incurred.

Overage rent is recognized on an accrual basis once tenant sales exceed contractual thresholds contained in the lease and is calculated by multiplying the tenant sales in excess of the minimum amount by a percentage defined in the lease.

If the lease provides for tenant improvements, the Company determines whether the tenant improvements are owned by the tenant or by the Company. When the Company is the owner of the tenant improvements, rental revenue begins when the improvements are substantially complete. When the tenant is the owner of the tenant improvements, any tenant allowance funded by the Company is treated as a lease incentive and amortized as an adjustment to rental revenue over the lease term.

Other Revenue Other revenue is comprised of parking revenue and other miscellaneous revenue. Other revenue is recognized at a point in time, at the time of sale when payment is received, and the customer receives the good or service. In all cases, the transaction prices are fixed, stipulated in the contract or product, and representative in each case of a single performance obligation.

2. Investments in Unconsolidated Ventures

In the normal course of business, the Company enters into partnerships and ventures with an emphasis on investments associated with businesses that operate at the Company's real estate assets and other entertainment-related investments. The Company does not consolidate the investments in the periods presented below as it does not have a controlling financial interest in these ventures. As such, the Company primarily reports its interests in accordance with the equity method. Additionally, the Company evaluates its equity method investments for significance in accordance with Regulation S-X, Rule 3-09 and Regulation S-X, Rule 4-08(g) and presents separate annual financial statements or summarized financial information, respectively, as required by those rules.

Investments in unconsolidated ventures consist of the following:

	Ownership Interest [a]		Carrying Value		Share of Earnings (Losses)/ Dividends		
	December 31,		December 31,		Year Ended December 31,		
thousands except percentages	2023	2022	2023	2022	2023	2022	2021
Equity Method Investments							
The Lawn Club [b]	**50 %**	**50 %**	$ 1,266	$ 2,553	$ (1,287)	$ —	$ —
Ssäm Bar [b] [c] [d]	**50 %**	**50 %**	—	5,551	(5,981)	(783)	(1,988)
Tin Building by Jean-Georges [b] [c] [d]	**65 %**	**65 %**	11,658	6,304	(42,698)	(36,813)	—
Jean-Georges Restaurants [d]	**25 %**	**25 %**	14,535	45,406	(30,667)	472	—
			27,459	**59,814**	**(80,633)**	**(37,124)**	**(1,988)**
Other equity investments [e]			**10,000**	**10,000**	**—**	**—**	**—**
Investments in unconsolidated ventures			**$ 37,459**	**$ 69,814**	**$ (80,633)**	**$ (37,124)**	**$ (1,988)**

(a) Ownership interests presented reflect the Company's stated ownership interest or if applicable, the Company's final profit-sharing interest after receipt of any preferred returns based on the venture's distribution priorities.
(b) For these equity method investments, various provisions in the venture operating agreements regarding distributions of cash flow based on capital account balances, allocations of profits and losses and preferred returns may result in the Company's economic interest differing from its stated interest or final profit-sharing interest. For these investments, the Company recognizes income or loss based on the venture's distribution priorities, which could fluctuate over time and may be different from its stated ownership or final profit-sharing interest.
(c) Classified as a VIE; however, the Company is not the primary beneficiary and accounts for its investment in accordance with the equity method. Refer to discussion below for additional information.
(d) These investments were impaired as part of the Seaport impairment recognized in the current period. Refer to specific investment discussion below and Note 3 - *Impairment* for additional information.
(e) Other equity investments represent investments not accounted for under the equity method. The Company elected the measurement alternative as these investments do not have readily determinable fair values. There were no impairments, or upward or downward adjustments to the carrying amounts of these securities either during 2023, or cumulatively. As of December 31, 2023, Other equity investments consists of $10.0 million of warrants, which represents cash paid by the Company for the option to acquire additional ownership interest in Jean-Georges Restaurants. Refer to discussion below for additional detail.

The Lawn Club In 2021, the Company formed HHC Lawn Games, LLC with The Lawn Club NYC, LLC ("Endorphin Ventures"), to construct and operate an immersive indoor and outdoor restaurant that includes an extensive area of indoor grass, a stylish clubhouse bar, and a wide variety of lawn games. This concept opened in the fourth quarter of 2023. Under the terms of the initial agreement, the Company funded 80% of the cost to construct the restaurant, and Endorphin Ventures contributed the remaining 20%. In October 2023, the members executed an amended LLC agreement, in which the Company will fund 90% of any remaining capital requirements, and Endorphin Ventures will contribute 10%. The Company will recognize its share of income or loss based on the joint venture distribution priorities, which could fluctuate over time. Upon return of each member's contributed capital and a preferred return to the Company, distributions and recognition of income or loss will be allocated to the Company based on its final profit-sharing interest. The Company also entered into a lease agreement with HHC Lawn Games, LLC pursuant to which the Company agreed to lease 20,000 square feet of the Fulton Market Building to this venture.

Ssäm Bar In 2016, the Company formed Pier 17 Restaurant C101, LLC ("Ssäm Bar") with MomoPier, LLC ("Momofuku") to construct and operate a restaurant and bar at Pier 17 in the Seaport, which opened in 2019. The Company recognizes its share of income or loss based on the joint venture's distribution priorities, which could fluctuate over time. During the third quarter of 2023, the Ssäm Bar restaurant closed, and the Company and Momofuku are in the process of dissolving the venture. Additionally, the Company recognized an impairment of $5.0 million related to this investment in the year ended December 31, 2023. See Note 3 - *Impairment* for additional information.

Tin Building by Jean-Georges In 2015, the Company, together with VS-Fulton Seafood Market, LLC ("Fulton Partner"), formed Fulton Seafood Market, LLC ("Tin Building by Jean-Georges") to operate a 53,783 square foot culinary marketplace in the historic Tin Building. The Fulton Partner is a wholly owned subsidiary of Jean-Georges Restaurants. The Company purchased a 25% interest in Jean-George Restaurants in March 2022 as discussed below.

The Company owns 100% of the Tin Building and leased 100% of the space to the Tin Building by Jean-Georges joint venture. Throughout this information statement, references to the Tin Building relate to the Company's 100% owned landlord operations and references to the Tin Building by Jean-Georges refer to the hospitality business in which the Company has an equity ownership interest. The Company, as landlord, funded 100% of the development and construction of the Tin Building. Under the terms of the Tin Building by Jean-Georges LLC agreement, the Company contributes the cash necessary to fund pre-opening, opening and operating costs of the Tin Building by Jean-Georges. The Fulton Partner is not required to make any capital contributions. The Tin Building was completed and placed in service during the third quarter of 2022 and the Tin Building by Jean-Georges culinary marketplace began operations in the third quarter of 2022. Based on capital contribution and distribution provisions for the Tin Building by Jean-Georges, the Company currently receives substantially all of the economic interest in the venture. Upon return of the Company's contributed capital and a preferred return to the Company, distribution and recognition of income or loss will be allocated to the Company based on its final profit-sharing interest.

As of December 31, 2023 and 2022, the Tin Building by Jean-Georges is classified as a VIE because the equity holders, as a group, lack the characteristics of a controlling financial interest. The Company further concluded that it is not the primary beneficiary of the VIE as it does not have the power to direct the restaurant-related activities that most significantly impact its economic performance. As the Company is unable to quantify the maximum amount of additional capital contributions that may be funded in the future associated with this investment, the Company's maximum exposure to loss is currently equal to the $11.7 million carrying value of the investment as of December 31, 2023. The Company funded capital contributions of $48.1 million for the year ended December 31, 2023, and $43.1 million for the year ended December 31, 2022. The Company did not fund any capital contributions for the year ended December 31, 2021, as the Tin Building by Jean-Georges did not commence operations until 2022.

The Company recognized an impairment of $1.2 million related to this investment in the year ended December 31, 2023. See Note 3 - *Impairment* for additional information.

The Company is required to file audited financial statements of the Fulton Seafood Market, LLC for the year ended December 31, 2022. The Company's investment in the Fulton Seafood Market, LLC does not meet the threshold necessary for disclosure of audited financial statements in 2023, however for comparability, audited financial statements of Fulton Seafood Market, LLC for the years ended December 31, 2023 and 2022 are included in this information statement. Financial statements of Fulton Seafood Market, LLC for the year ended December 31, 2021 are not included in this information statement as Fulton Seafood Market, LLC had no activity prior to 2022.

Jean-Georges Restaurants In March 2022, the Company acquired a 25% interest in JG Restaurant HoldCo LLC ("Jean-Georges Restaurants") for $45.0 million from JG TopCo LLC ("Jean-Georges"). Jean-Georges Restaurants currently has over 40 hospitality offerings and a pipeline of new concepts. The Company accounts for its ownership interest in accordance with the equity method and recorded its initial investment at cost, inclusive of legal fees and transaction costs. Under the terms of the current operating agreement, all cash distributions and the recognition of income-producing activities will be pro rata based on stated ownership interest. The Company recognized an impairment of $30.8 million related to this investment in the year ended December 31, 2023. See Note 3 – *Impairment* for additional information.

Concurrent with the Company's acquisition of the 25% interest in Jean-Georges Restaurants, the Company entered into a warrant agreement with Jean-Georges. The Company paid $10.0 million for the option to acquire up to an additional 20% interest in Jean-Georges Restaurants at a fixed exercise price per share subject to certain anti-dilution provisions. Should the warrant agreement be exercised by the Company, the $10.0 million will be credited against the aggregate exercise price of the warrants. Per the warrant agreement, the $10.0 million is to be used for working capital of Jean-Georges Restaurants. The warrant became exercisable on March 2, 2022, subject to automatic exercise in the event of dissolution or liquidation and will expire on March 2, 2026. As of December 31, 2023, this warrant has not been exercised. The Company elected the measurement alternative for this purchase option as the equity security does not have a readily determinable fair value. As such, the investment is measured at cost, less any identified impairment charges.

Creative Culinary Management Company, LLC ("CCMC"), a wholly owned subsidiary of Jean-Georges Restaurants, provides management services for certain retail and food and beverage businesses that the Company owns, either wholly or through partnerships with third parties. The Company's businesses managed by CCMC include The Tin Building by Jean-Georges, The Fulton, and Malibu Farm. Pursuant to the various management agreements, CCMC is responsible for employment and supervision of all employees providing services for the food and beverage operations and restaurant as well as the day-to-day operations and accounting for the food and beverage operations.

Summarized Financial Information The following tables provide combined summarized financial statements information for the Company's unconsolidated ventures. Financial statements information is included for each

investment for all periods in which the Company's ownership interest was accounted for as an equity method investment.

thousands	December 31, 2023	December 31, 2022
Balance Sheet		
Total Assets	$ 174,283	$ 182,274
Total Liabilities	142,539	150,014
Total Equity	31,744	32,260

thousands	Year ended December 31, 2023	2022	2021
Income Statement			
Revenues	$ 118,674	$ 81,275	$ 2,035
Operating Loss	(39,196)	(24,754)	1,459
Net loss	(43,264)	(36,350)	(1,583)

(a) The increase in income statement activity for the year ended December 31, 2022 is due to the opening of the Tin Building by Jean-Georges and the acquisition of the interest in Jean-Georges Restaurants in 2022.

3. Impairment

The Company reviews its long-lived assets for potential impairment indicators whenever events or changes in circumstances indicate that the carrying amounts may not be recoverable. Impairment or disposal of long-lived assets in accordance with ASC 360 *Property, Plant, and Equipment* (ASC 360) require that if impairment indicators exist and expected undiscounted cash flows generated by the asset over an anticipated holding period are less than its carrying amount, an impairment provision should be recorded to write down the carrying amount of the asset to its fair value. The impairment analysis does not consider the timing of future cash flows and whether the asset is expected to earn an above- or below-market rate of return.

The Company evaluates each investment in an unconsolidated venture discussed in Note 2 – *Investments in Unconsolidated Ventures* periodically for recoverability and valuation declines that are other-than-temporary. If the decrease in value of an investment is deemed to be other-than-temporary, the investment is reduced to its estimated fair value.

During the third quarter of 2023, the Company recorded a $709.5 million impairment charge related to Seaport properties in the Landlord Operations segment and investments in the Hospitality segment. The Company recognized the impairment due to decreases in estimated future cash flows due to significant uncertainty of future performance as stabilization and profitability are taking longer than expected, pressure on the current cost structure, decreased demand for office space, as well as an increase in the capitalization rate and a decrease in restaurant multiples used to evaluate future cash flows. The Company used a discounted cash flow analysis to determine fair value, with capitalization rates ranging from 5.5% to 6.75%, discount rates ranging from 8.5% to 13.3%, and restaurant multiples ranging from 8.3 to 11.8.

The assumptions and estimates included in the Company's impairment analysis require significant judgment about future events, market conditions, and financial performance. Actual results may differ from these assumptions. There can be no assurance that these estimates and assumptions will prove to be an accurate prediction of the future.

The following table summarizes the pre-tax impacts of the impairment mentioned above to the Combined Statements of Operations for the year ended December 31, 2023. There were no impairments recorded in 2022 and 2021.

thousands	**Statements of Operations Line Item**	**2023**
Building and equipment	Provision for impairment	$ 445,818
Land	Provision for impairment	11,734
Developments	Provision for impairment	214,940
Net investments in real estate		**672,492**
Investments in unconsolidated ventures [(a)]	Equity in losses from unconsolidated ventures	37,001
Total impairment		**$ 709,493**

(a) Impairment charges relate to the Company's investments in Jean-Georges Restaurants, Ssäm Bar, and Tin Building by Jean-Georges unconsolidated ventures. See Note 2 - *Investments in Unconsolidated Ventures* for additional information.

4. Other Assets and Liabilities

Other Assets, net The following table summarizes the significant components of Other assets, net as of December 31:

thousands	**2023**	**2022**
Intangibles	$ 20,534	$ 23,690
Security and other deposits	14,190	390
Food and beverage and merchandise inventory	2,718	2,458
Prepaid expenses	1,524	3,916
Other	146	521
Other assets, net	**$ 39,112**	**$ 30,975**

Accounts Payable and Other Liabilities The following table summarizes the significant components of Accounts payable and other liabilities as of December 31:

thousands	**2023**	**2022**
Construction payables	$ 12,477	$ 9,134
Accrued payroll and other employee liabilities	4,885	4,556
Deferred income	4,030	5,168
Accounts payable and accrued expenses	4,285	3,340
Accrued interest	1,000	737
Other	908	2,323
Tenant and other deposits	554	354
Accounts payable and other liabilities	**$ 28,139**	**$ 25,612**

5. Intangibles

The following table summarizes the Company's intangible assets and liabilities:

	As of December 31, 2023			As of December 31, 2022		
thousands	Gross Asset (Liability)	Accumulated (Amortization)/ Accretion	Net Carrying Amount	Gross Asset (Liability)	Accumulated (Amortization)/ Accretion	Net Carrying Amount
Intangible Assets:						
License agreement with MLB [(a)]	$ 24,872	$ (7,354)	$ 17,518	$ 24,872	$ (4,758)	$ 20,114
Other definite lived intangibles [(b)]	6,844	(3,828)	3,016	6,844	(3,268)	3,576
Tenant leases:						
Below-market	(3,679)	3,403	(276)	(3,679)	3,035	(644)
Total amortizing intangibles	**$ 28,037**	**$ (7,779)**	**$ 20,258**	**$ 28,037**	**$ (4,991)**	**$ 23,046**

(a) Represents 10-year player development agreement between the Aviators and MLB.
(b) Includes a franchise relationship and food and beverage contract associated with the Aviators

The tenant below-market lease intangible liabilities resulted from real estate acquisitions. The below-market tenant leases are included in Accounts payable and other liabilities and are amortized over the remaining non-cancelable terms of the respective leases. See Note 4 – *Other Assets and Liabilities* for additional information regarding Other assets, net and Accounts payable and other liabilities. The Company has no indefinite lived intangible assets.

Net amortization and accretion expense for these intangible assets and liabilities was $2.8 million, $2.8 million, and $2.4 million in 2023, 2022, and 2021, respectively.

Future net amortization and accretion expense is estimated for each of the five succeeding years as shown below:

thousands	2024	2025	2026	2027	2028
Net amortization and accretion expense	$ 2,879	$ 3,155	$ 3,155	$ 2,895	$ 2,844

6. Mortgages Payable, Net

Mortgages Payable Mortgages payable, net are summarized as follows:

	December 31,	
thousands	2023	2022
Fixed-rate debt		
Secured mortgages payable	$ 42,990	$ 44,802
Variable-rate debt		
Secured mortgages payable	115,000	100,000
Unamortized deferred financing costs	(2,362)	(621)
Mortgages payable, net	**$ 155,628**	**$ 144,181**

As of December 31, 2023, land, buildings and equipment, developments, and other collateral with an aggregate net book value of $197 million have been pledged as collateral for the Company's debt obligations. Secured mortgages payable are without recourse to the Company and the Company's Parent at December 31, 2023.

Secured Mortgages Payable The Company's outstanding mortgages are collateralized by certain of the Company's real estate assets. The Company's fixed-rate debt obligation requires semi-annual installments of principal and interest, and the Company's variable-rate debt requires monthly installments of only interest. As of December 31, 2023, the Company's secured mortgage loans did not have any undrawn lender commitment available to be drawn for property development.

The following table summarizes the Company's Secured mortgages payable:

	December 31, 2023			December 31, 2022		
$ in thousands	**Principal**	**Interest Rate**	**Maturity Date**	**Principal**	**Interest Rate**	**Maturity Date**
Fixed rate [(a)]	$ 42,990	4.92 %	December 15, 2039	$ 44,802	4.92 %	December 15, 2039
Variable rate [(b)]	115,000	9.21 %	September 1, 2026	100,000	7.74 %	November 18, 2023
Secured mortgages payable	**$ 157,990**			**$ 144,802**		

(a) The Company has one fixed-rate debt obligation as of December 31, 2023 and 2022. The interest rate presented is based upon the coupon rate of the debt.
(b) The Company has one variable-rate debt obligation as of December 31, 2023 and 2022. The interest rate presented is based on the applicable reference interest rate as of December 31, 2023 and 2022.

During 2023, the Company's mortgage activity included refinancings of $100 million, additional draws of $15 million, and repayments of $1.8 million.

During the third quarter of 2023, the Company refinanced its variable-rate mortgage related to the 250 Water Street development property, which had an outstanding principal of $100 million and a maturity date of November 2023. The Company's new variable-rate mortgage has an outstanding principal of $115 million, an interest rate of 3.88% plus the current Secured Overnight Financing Rate ("SOFR") and is set to mature in September 2026. In connection with the refinancing, the Company's obligations under the new variable-rate mortgage related to the 250 Water Street development are guaranteed by the Company's Parent.

Scheduled Maturities The following table summarizes the contractual obligations relating to the Company's mortgages payable as of December 31, 2023:

thousands	**Mortgages payable principal payments**
2024	$ 1,903
2025	1,997
2026	117,097
2027	2,201
2028	2,311
Thereafter	32,481
Total principal payments	**157,990**
Unamortized deferred financing costs	(2,362)
Mortgages payable, net	**$ 155,628**

7. Fair Value

ASC 820 *Fair Value Measurement* (ASC 820), emphasizes that fair value is a market-based measurement that should be determined using assumptions market participants would use in pricing an asset or liability. The standard establishes a hierarchical disclosure framework that prioritizes and ranks the level of market price observability used in measuring assets or liabilities at fair value. Market price observability is impacted by a number of factors, including the type of investment and the characteristics specific to the asset or liability. Assets or liabilities with

readily available active quoted prices, or for which fair value can be measured from actively quoted prices, generally will have a higher degree of market price observability and a lesser degree of judgment used in measuring fair value.

The following table presents the fair value measurement hierarchy levels required under ASC 820 for the estimated fair values of the Company's financial instruments that are not measured at fair value on a recurring basis:

		December 31, 2023		December 31, 2022	
thousands	**Fair Value Hierarchy**	**Carrying Amount**	**Estimated Fair Value**	**Carrying Amount**	**Estimated Fair Value**
Assets:					
Cash and Restricted cash	Level 1	**$ 43,845**	**$ 43,845**	**$ 66,713**	**$ 66,713**
Accounts receivable, net [(a)]	Level 3	**13,672**	**13,672**	**8,203**	**8,203**
Liabilities:					
Fixed-rate debt [(b)]	Level 2	**42,990**	**38,906**	**44,802**	**44,591**
Variable-rate debt [(b)]	Level 2	**115,000**	**115,000**	**100,000**	**100,000**

(a) Accounts receivable, net is shown net of an allowance of $1.4 million and $1.4 million at December 31, 2023 and 2022, respectively. Refer to Note 1 – *Summary of Significant Accounting Policies* for additional information on the allowance.
(b) Excludes related unamortized financing costs.

The carrying amounts of Cash and Restricted cash and Accounts receivable, net approximate fair value because of the short-term maturity of these instruments.

The fair value of fixed-rate debt in the table above was estimated based on a discounted future cash payment model, which includes risk premiums and risk-free rates derived from the SOFR or U.S. Treasury obligation interest rates as of December 31, 2023, and from the London Interbank Offered Rate ("LIBOR") or U.S. Treasury obligation interest rates as of December 31, 2022. Refer to Note 6 – *Mortgages Payable, Net* for additional information. The discount rates reflect the Company's judgment as to what the approximate current lending rates for loans or groups of loans with similar maturities and credit quality would be if credit markets were operating efficiently and assuming that the debt is outstanding through maturity.

The carrying amount for the Company's variable-rate debt approximates fair value given that the interest rate is variable and adjusts with current market rates for instruments with similar risks and maturities.

The below table includes non-financial assets that were measured at fair value on a non-recurring basis resulting in the properties and investments being impaired:

		Fair Value Measurements Using		
thousands	**Total Fair Value Measurement (a)**	**Quoted Prices in Active Markets for Identical Assets (Level 1)**	**Significant Other Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**
2023				
Net investment in real estate	$ 321,180	$ —	$ —	$ 321,180
Investments in unconsolidated ventures	40,225	$ —	$ —	40,225

(a) The fair value was measured as of the impairment date in the third quarter of 2023 using a discounted cash flow analysis to determine fair value, with capitalization rates ranging from 5.5% to 6.75%, discount rates ranging from 8.5% to 13.3%, and restaurant multiples ranging from 8.3 to 11.8. Refer to Note 3 – Impairment for additional information.

8. Commitments and Contingencies

Litigation In the normal course of business, from time to time, the Company is involved in legal proceedings relating to the ownership and operations of its properties. In management's opinion, the liabilities, if any, that may ultimately result from normal course of business legal actions are not expected to have a material effect on the Company's combined financial position, results of operations or liquidity.

250 Water Street In 2021, the Company received the necessary approvals for its 250 Water Street development project, which includes a mixed-use development with affordable and market-rate apartments, community-oriented spaces, and office space. In May 2021, the Company received approval from the New York City Landmarks Preservation Commission ("LPC") on its proposed design for the 250 Water Street site. The Company received final approvals in December 2021 through the New York City Uniform Land Use Review Procedure known as ULURP, which allowed the necessary transfer of development rights to the parking lot site. The Company began initial foundation and voluntary site remediation work in the second quarter of 2022 and completed remediation work in December 2023.

The Company has prevailed in various lawsuits filed in 2021 and 2022 challenging the development approvals in order to prevent construction of this project.

A separate lawsuit was filed in July 2022 again challenging the Landmarks Preservation Commission approval. In January 2023, a Court ruled in favor of the petitioners vacating the Certificate of Appropriateness ("COA") issued by the LPC. The Company immediately appealed this decision to the New York State Supreme Court's Appellate Division and on June 6, 2023, an Appellate Division panel of five judges unanimously reversed the lower Court's decision, reinstating the COA. Subsequently, on June 29, 2023, petitioners filed a motion requesting reargument or, in the alternative, permission to appeal the decision of the Appellate Division to the New York State Court of Appeals. On August 31, 2023, the Appellate Division denied petitioners' motion in full. Subsequently, petitioners filed a motion in the Court of Appeals for permission to appeal to that court. On May 21, 2024, the Court of Appeals denied this motion. As there is no potential loss for the Company, it has not recorded any reserves or contingencies related to this legal matter.

Operating Leases The Company leases land or buildings at certain properties from third parties, which are recorded in Operating lease right-of-use assets, net, and Operating lease obligations on the Combined Balance Sheets. See Note 12 – *Leases* for additional information. Contractual rental expense was $6.7 million, $6.5 million, and $5.5 million for the years ended December 31, 2023, 2022, and 2021, respectively. The amortization of straight-line rents included in the contractual rent amount was $2.5 million, $2.5 million, and $1.7 million for the years ended December 31, 2023, 2022, and 2021, respectively.

Guarantee Agreements In conjunction with the execution of the ground lease for the Seaport, the Company executed a completion guarantee for the core and shell construction of the Tin Building. The core and shell construction were completed in the fourth quarter of 2021, and the remainder of construction was completed in the third quarter of 2022. As such, the Company has fully satisfied the completion guarantee.

9. Stock-Based Compensation Plans

On May 14, 2020, the Parent's shareholders approved The Howard Hughes Corporation 2020 Equity Incentive Plan (the "2020 Equity Plan" or "Plan"). Pursuant to the 2020 Equity Plan, 1,350,000 shares of the Parent's common stock were reserved for issuance. As of December 31, 2023, there were a maximum of 727,758 shares available for future grants under the 2020 Equity Plan. The 2020 Equity Plan provides for grants of options, stock appreciation rights, restricted stock, restricted stock units, and other stock-based awards (collectively, the "Awards"). Employees, directors, and consultants of the Parent are eligible for Awards. The 2020 Equity Incentive Plan is administered by the HHH Compensation Committee of the Board of Directors.

Until the separation and distribution is effective, the Company's employees will participate in Parent's Plan and the Company will be allocated a portion of stock compensation expense based on the services provided to the Company. The non-cash stock compensation expense for employee services directly attributable to the Company totaled $1.5 million, $0.9 million, and $0.5 million for the years ended December 31, 2023, 2022, and 2021, respectively. These expenses are presented net of $1.3 million, $3.0 million, and $1.4 million capitalized to development projects during the years ended December 31, 2023, 2022, and 2021, respectively. The Company also records an allocation of costs for shared services provided by the Parent, which includes expense allocations for stock-based compensation. See Note 14 – *Related-Party Transactions* for additional information regarding corporate overhead and other allocations.

The allocated amounts presented are not necessarily indicative of future awards and do not necessarily reflect the costs that the Company would have incurred as an independent company for the periods presented.

10. Income Taxes

Deferred income taxes are accounted for using the asset and liability method. Deferred tax assets and liabilities are recognized for the expected future tax consequences of events that have been included in the financial statements or tax returns. Under this method, deferred tax assets and liabilities are determined based on the differences between the financial reporting and tax basis of assets and liabilities using enacted tax rates currently in effect. Deferred income taxes also reflect the impact of operating loss and tax credit carryforwards.

The following summarizes Income tax (benefit) expense for the years ended December 31:

thousands	2023	2022	2021
Current	$ —	$ —	$ —
Deferred	(2,187)	3,469	(3,575)
Total	**$ (2,187)**	**$ 3,469**	**$ (3,575)**

Reconciliation of the Income tax (benefit) expense if computed at the U.S. federal statutory income tax rate to the Company's reported Income tax (benefit) expense for the years ended December 31 is as follows:

thousands except percentages	2023	2022	2021
Loss before income taxes	$ (840,252)	$ (107,808)	$ (84,441)
U.S. federal statutory tax rate	21 %	21 %	21 %
Tax (benefit) expense computed at the U.S. federal statutory rate	**$ (176,453)**	**$ (22,640)**	**$ (17,733)**
State income tax (benefit) expense, net of federal income tax	(75,917)	(10,254)	(7,891)
Unbenefited losses	35,791	36,270	22,002
Valuation Allowance	213,127	—	—
Tax (benefit) expense from other change in rates, prior period adjustments and other permanent differences	1,265	93	47
Income tax (benefit) expense	**$ (2,187)**	**$ 3,469**	**$ (3,575)**
Effective tax rate	**0.3 %**	**(3.2 %)**	**4.2 %**

The Company generated operating losses in the years presented. The income tax benefit recognized related to this loss was zero for the years ended December 31, 2023, 2022, and 2021, after an assessment of the available positive and negative evidence. Operating results of the Company have historically been included in the consolidated federal and combined state income tax returns of the Parent and the resulting tax attributes have been fully utilized by the Parent and are no longer available to the Company for future use. As a result, any hypothetical net operating loss attributes and related valuation allowances are deemed to have been distributed to the Parent through net parent investment. Future income tax provisions may be impacted by future changes in the realizability of the hypothetical net operating loss deferred tax asset. The difference between the (benefit) expense at the statutory rate and the income tax provision related to these operating losses is reflected in the table above as "Unbenefited losses".

Furthermore, it was necessary to assess the positive and negative evidence of the realizability of the US federal and consolidated state net deferred tax asset balance for the period ending December 31, 2023. After such an assessment, it was determined a valuation allowance was required. The difference between the expense (benefit) at the statutory rate and the income tax provision is primarily related to state taxes, the unbenefited federal and state losses, and the valuation allowance recorded against the Company's deferred tax assets.

The following summarizes tax effects of temporary differences and carryforwards included in the net deferred tax liabilities as of December 31:

thousands	2023	2022
Deferred tax assets:		
Accounts receivable	$ 408	$ 420
Accrued expenses	1,041	1,262
Operating lease liabilities	14,547	14,312
Deferred income	537	1,442
Depreciation, impairments, and asset disposals	210,168	—
Total deferred tax assets	**226,701**	**17,436**
Valuation allowance	(213,127)	—
Total net deferred tax assets	**$ 13,574**	**$ 17,436**
Deferred tax liabilities:		
Depreciation and asset disposals	—	$ (5,004)
Prepaid other	(286)	(1,025)
Operating lease right of use assets	(13,288)	(13,594)
Total deferred tax liabilities	**$ (13,574)**	**$ (19,623)**
Total net deferred tax liabilities	**—**	**$ (2,187)**

The Company is included in the income tax returns filed by HHH. Generally, the Company is currently open to audit under the statute of limitations by the Internal Revenue Service as well as state taxing authorities for the years ended December 31, 2020 through 2023. In the Company's opinion, it has made adequate tax provisions for years subject to examination. The final determination of tax examinations and any related litigation could be different from what was reported on the returns, however, the Company would not be liable for any incremental taxes payable, interest or penalties, which remain the obligation of HHH.

The Company applies the generally accepted accounting principle related to accounting for uncertainty in income taxes, which prescribes a recognition threshold that a tax position is required to meet before recognition in the financial statements and provides guidance on derecognition, measurement, classification, interest and penalties, accounting in interim periods, disclosure, and transition issues.

The Company recognizes and reports interest and penalties related to unrecognized tax benefits, if applicable, within the provision for income tax expense. The Company had no unrecognized tax benefits for the years ended December 31, 2023, 2022, or 2021, and therefore did not recognize any interest expense or penalties on unrecognized tax benefits.

11. Revenues

Revenues from contracts with customers (excluding lease-related revenues) are recognized when control of the promised goods or services is transferred to the Company's customers in an amount that reflects the consideration the Company expects to be entitled to in exchange for those goods or services.

The following presents the Company's revenues disaggregated by revenue source for the years ended December 31:

thousands	2023	2022	2021
Revenues from contracts with customers			
Recognized at a point in time or over time			
Sponsorships, events, and entertainment revenue	$ 60,623	$ 55,724	$ 41,504
Other revenue[(a)]	8	947	3,506
Total	60,631	56,671	45,010
Recognized at a point in time			
Hospitality revenue	32,951	42,565	29,632
Rental and lease-related revenues			
Rental revenue	22,096	19,810	7,978
Total revenues	**$ 115,678**	**$ 119,046**	**$ 82,620**

(a) Other revenue in 2022 and 2021 primarily relates to parking revenue at 250 Water Street prior to the start of initial foundation and voluntary site remediation work in the second quarter of 2022.

Contract Assets and Liabilities Contract assets are the Company's right to consideration in exchange for goods or services that have been transferred to a customer, excluding any amounts presented as a receivable. Contract liabilities are the Company's obligation to transfer goods or services to a customer for which the Company has received consideration.

There were no contract assets for the periods presented. The contract liabilities primarily relate to deferred Aviators and Seaport concert series ticket sales and sponsorship revenues.

thousands	Contract Liabilities
Balance at December 31, 2022	**$ 4,740**
Consideration earned during the period	(42,195)
Consideration received during the period	41,162
Balance at December 31, 2023	$ 3,707
Balance at December 31, 2021	$ 6,127
Consideration earned during the period	(41,664)
Consideration received during the period	40,277
Balance at December 31, 2022	$ 4,740

Remaining Unsatisfied Performance Obligation The Company's remaining unsatisfied performance obligations represent a measure of the total dollar value of work to be performed on contracts executed and in progress. These performance obligations primarily relate to the completion of the 2024 Aviators baseball season and 2024 concert series, as well as performance under various sponsorship agreements. The aggregate amount of the transaction price allocated to the Company's remaining unsatisfied performance obligations from contracts with customers as of December 31, 2023, is $8.7 million. The Company expects to recognize this amount as revenue over the following periods:

thousands	Less than 1 year	1-2 years	3 years and thereafter
Total remaining unsatisfied performance obligations	$ 6,251	$ 1,977	$ 487

The Company's remaining performance obligations are adjusted to reflect any known contract cancellations, revisions to customer agreements, and deferrals, as appropriate.

During the year ended December 31, 2023, revenue from one customer accounted for approximately 10.1% of the Company's total revenue through a related-party transaction. See Note 14 – *Related-Party Transactions* for additional information.

For the year ended December 31, 2022 and 2021, no customers accounted for greater than 10% of the Company's revenue.

12. Leases

Lessee Arrangements The Company determines whether an arrangement is a lease at inception. Operating leases are included in Operating lease right-of-use assets, net and Operating lease obligations on the Combined Balance Sheets. Right-of-use assets represent the Company's right to use an underlying asset for the lease term and lease liabilities represent the Company's obligation to make lease payments arising from the lease. Operating lease right-of-use assets and liabilities are recognized at commencement date based on the present value of future minimum lease payments over the lease term. As most of the Company's leases do not provide an implicit rate, the Company uses an estimate of the incremental borrowing rate based on the information available at the lease commencement date in determining the present value of future lease payments. The Operating lease right-of-use asset also includes any lease payments made, less any lease incentives and initial direct costs incurred. The Company does not have any finance leases. The Company elected the practical expedient to not separate lease components from non-lease components of its lease agreements for all classes of underlying assets. Certain of the Company's lease agreements include non-lease components such as fixed common area maintenance charges. The Company applies Leases (Topic 842) to the single combined lease component.

The Company's lessee agreements consist of operating leases primarily for ground leases and other real estate. The majority of the Company's leases have remaining lease terms ranging from less than two years to approximately 50 years, excluding extension options. The Company considers its strategic plan and the life of associated agreements in determining when options to extend or terminate lease terms are reasonably certain of being exercised. Leases with an initial term of 12 months or less are not recorded on the balance sheet; the Company recognizes lease expense for these leases on a straight-line basis over the lease term. Certain of the Company's lease agreements include variable lease payments based on a percentage of income generated through subleases, changes in price indices and market rates, and other costs arising from operating, maintenance, and taxes. The Company's lease agreements do not contain residual value guarantees or restrictive covenants. The Company leases various buildings and office space constructed on its ground leases to third parties.

The Company's leased assets and liabilities as of December 31 are as follows:

thousands	2023	2022
Assets		
Operating lease right-of-use assets, net	$ 40,884	$ 41,500
Liabilities		
Operating lease obligations	$ 48,153	$ 46,349

The components of lease expense for the years ended December 31 are as follows:

thousands	2023	2022	2021
Operating lease cost	$ 6,189	$ 6,043	$ 5,433
Variable lease cost	478	452	43
Total lease cost	**$ 6,667**	**$ 6,495**	**$ 5,476**

Future minimum lease payments as of December 31, 2023, are as follows:

thousands	Operating Leases
2024	$ 4,321
2025	4,375
2026	3,416
2027	2,749
2028	2,808
Thereafter	234,041
Total lease payments	**251,710**
Less: imputed interest	(203,557)
Present value of lease liabilities	**$ 48,153**

Other information related to the Company's lessee agreements is as follows:

Supplemental Combined Statements of Cash Flows Information	Year ended December 31,		
thousands	2023	2022	2021
Cash paid for amounts included in the measurement of lease liabilities:			
Operating cash flows on operating leases	$ 4,266	$ 4,320	$ 3,774

Other Information	2023	2022
Weighted-average remaining lease term (years)		
Operating leases	45.3	46.4
Weighted-average discount rate		
Operating leases	7.8 %	7.8 %

Lessor Arrangements The Company receives rental income from the leasing of retail, office, multi-family and other space under operating leases, as well as certain variable tenant recoveries. Operating leases for our retail, office, and other properties are with a variety of tenants and have a remaining average term of approximately seven years. Lease terms generally vary among tenants and may include early termination options, extension options, and fixed rental rate increases or rental rate increases based on an index. Multi-family leases generally have a term of 12 months or less. The Company elected the practical expedient to not separate lease components from non-lease components of its lease agreements for all classes of underlying assets. Minimum rent revenues related to operating leases are as follows:

	Year Ended December 31,		
thousands	2023	2022	2021
Total minimum rent payments	$ 17,325	$ 11,275	$ 7,445

Total future minimum rents associated with operating leases are as follows:

thousands	Total Minimum Rent
2024	$ 20,999
2025	21,891
2026	19,493
2027	19,616
2028	19,749
Thereafter	105,569
Total	**$ 207,317**

Minimum rent revenues are recognized on a straight-line basis over the terms of the related leases when collectability is reasonably assured and the tenant has taken possession of, or controls, the physical use of the leased asset. Percentage rent in lieu of fixed minimum rent is recognized as sales are reported from tenants. Minimum rent revenues reported on the Combined Statements of Operations also include amortization related to above and below-market tenant leases on acquired properties.

13. Segments

The Company has three business segments that offer different products and services. The Company's three segments are managed separately as each requires different operating strategies or management expertise. Adjusted EBITDA is used to assess operating results for each of the Company's business segments. The Company defines Adjusted EBITDA as earnings before interest, taxes, depreciation, amortization, equity in earnings (losses) from unconsolidated ventures, general and administrative expenses, and other expenses. The Company's segments or assets within such segments could change in the future as development of certain properties commences or other operational or management changes occur. All operations are within the United States. The Company's reportable segments are as follows:

- ***Landlord Operations*** – consists of the Company's rental operations associated with over 470,000 square feet of properties situated in three primary locations at the Seaport in New York, New York: Pier 17, Historic Area/Uplands and Tin Building, as well as the 250 Water Street development.
- ***Hospitality*** – consists of restaurant and retail businesses in the Historic District and Pier 17 that are owned, either wholly or through joint ventures, and operated by the Company or through license and management agreements, and also includes the equity interest in Jean-Georges Restaurants.
- ***Sponsorships, Events, and Entertainment*** – consists of baseball operations of the Aviators and Las Vegas Ballpark along with sponsorships, events, and other revenue generated at the Seaport in New York, New York.

Segment operating results are as follows:

thousands	Landlord Operations	Hospitality	Sponsorships, Events, and Entertainment	Total
Year Ended December 31, 2023				
Total revenues	$ 22,104	$ 32,951	$ 60,623	$ 115,678
Total segment expenses	(31,615)	(35,667)	(53,261)	(120,543)
Segment Adjusted EBITDA	(9,511)	(2,716)	7,362	(4,865)
Depreciation and amortization				(48,432)
Interest expense, net				(3,166)
Equity in losses from unconsolidated ventures				(80,633)
Provision for impairment				(672,492)
Loss on extinguishment of debt				(47)
Corporate expenses and other items				(30,617)
Loss before income taxes				(840,252)
Income tax benefit (expense)				2,187
Net loss				**$ (838,065)**
Year Ended December 31, 2022				
Total revenues	$ 20,742	$ 42,580	$ 55,724	$ 119,046
Total segment expenses	(34,720)	(43,076)	(43,530)	(121,326)
Segment Adjusted EBITDA	(13,978)	(496)	12,194	(2,280)
Depreciation and amortization				(47,356)
Interest expense, net				(4,013)
Equity in losses from unconsolidated ventures				(37,124)
Corporate expenses and other items				(17,035)
Loss before income taxes				(107,808)
Income tax benefit (expense)				(3,469)
Net loss				**$ (111,277)**
Year Ended December 31, 2021				
Total revenues	$ 10,903	$ 30,213	$ 41,504	$ 82,620
Total segment expenses	(33,242)	(31,302)	(34,192)	(98,736)
Segment Adjusted EBITDA	(22,339)	(1,089)	7,312	(16,116)
Depreciation and amortization				(41,612)
Interest expense, net				(6,534)
Equity in losses from unconsolidated ventures				(1,988)
Corporate expenses and other items				(18,191)
Loss before income taxes				(84,441)
Income tax benefit (expense)				3,575
Net loss				**$ (80,866)**

The following represents assets by segment and the reconciliation of total segment assets to Total assets in the Combined Balance Sheets as of December 31:

thousands	2023	2022
Landlord Operations	$ 411,871	$ 1,047,488
Hospitality	64,816	110,798
Sponsorships, Events, and Entertainment	135,121	151,020
Total segment assets	611,808	1,309,306
Corporate	5,005	5,209
Total assets[(a)]	**$ 616,813**	**$ 1,314,515**

(a) In 2023, the Company recorded a $709.5 million impairment charge related to the Seaport properties in the Landlord Operations segment and investments in the Hospitality segment. Refer to Note 3 - *Impairment* for additional information.

14. Related-Party Transactions

The Company has not historically operated as a standalone business and has various relationships with the Parent whereby the Parent provides services to the Company. The Company also engages in transactions with CCMC and generates rental revenue by leasing space to equity method investees, which are related parties, as described below.

Net Transfers from Parent As discussed in Note 1 – *Summary of Significant Accounting Policies* in the basis of presentation section and below, net parent investment is primarily impacted by allocation of expenses for certain services related to shared functions provided by the Parent and contributions from the Parent which are the result of net funding provided by or distributed to Parent. The components of net parent investment are:

	December 31,		
thousands	2023	2022	2021
Net transfers from Parent as reflected in the Combined Statements of Cash Flows	$ 125,277	$ 239,617	$ 185,922
Non-cash stock compensation expense	1,495	869	483
Net transfers from Parent as reflected in the Combined Statements of Equity	**$ 126,772**	**$ 240,486**	**$ 186,405**

Corporate Overhead and Other Allocations The Parent provides the Company certain services, including (1) certain support functions that are provided on a centralized basis within HHH, including, but not limited to executive oversight, treasury, accounting, finance, internal audit, legal, information technology, human resources, communications, and risk management; and (2) employee benefits and compensation, including stock-based compensation. The Company's Combined Financial Statements reflect an allocation of these costs. When specific identification or a direct attribution of costs based on time incurred for the Company's benefit is not practicable, a proportional cost method is used, primarily based on revenue, headcount, payroll costs or other applicable measures.

The allocation of expenses, net of amounts capitalized, from Parent to the Company were reflected as follows in the Combined Statements of Operations for the years ended December 31:

thousands	2023	2022	2021
Operating costs	$ 698	$ 358	$ 125
General and administrative	13,234	9,668	6,623
Other income, net	(35)	(53)	(61)
Total	$ 13,897	$ 9,973	$ 6,687

Allocated expenses recorded in operating costs, general and administrative expenses, and other income, net in the table above primarily include the allocation of employee benefits and compensation costs, including stock

compensation expense, as well as overhead and other costs for shared support functions provided by the Parent on a centralized basis. Operating costs as provided in the table above include immaterial expenses recorded to hospitality costs and sponsorships, events, and entertainment costs with the remainder recorded to operating costs.

The Company capitalized the following costs that were incurred by the Parent for the Company's benefit in the Combined Balance Sheets during the years ended December 31:

thousands	2023	2022	2021
Developments	$ 1,967	$ 4,878	$ 2,242
Buildings and equipment	550	179	522
Total	**$ 2,517**	**$ 5,057**	**$ 2,764**

The financial information herein may not necessarily reflect the combined financial position, results of operations, and cash flows of the Company in the future or what they would have been had the Company been a separate, standalone entity during the periods presented. Management believes that the methods used to allocate expenses to the Company are reasonable; however, the allocations may not be indicative of actual expenses that would have been incurred had the Company operated as an independent, publicly traded company for the periods presented. Actual costs that the Company may have incurred had it been a standalone company would depend on a number of factors, including the chosen organizational structure, whether functions were outsourced or performed by the Company employees and strategic decisions made in areas such as executive leadership, corporate infrastructure, and information technology.

Unless otherwise stated, these intercompany transactions between the Company and Parent have been included in these Combined Financial Statements and are considered to be effectively settled at the time the transaction is recorded. The total net effect of the settlement of these intercompany transactions is reflected in the Combined Statements of Cash Flows as a financing activity and in the Combined Balance Sheets as net parent investment.

Stock Compensation As discussed in Note 9 – *Stock-Based Compensation Plans*, the Company's employees participate in Parent's stock-compensation plan and the Company is allocated a portion of stock compensation expense based on the services provided to the Company. The non-cash stock compensation expense for employee services directly attributable to the Company totaled $1.5 million, $0.9 million, and $0.5 million for the years ended December 31, 2023, 2022, and 2021, respectively, and is included within general and administrative expenses in the Combined Statements of Operations and included in the table above. These expenses are presented net of $1.3 million, $3.0 million, and $1.4 million capitalized to development projects during the years ended December 31, 2023, 2022, and 2021, respectively. Employee benefits and compensation expense, including stock-based compensation expense, related to the Parent employees who provide shared services to the Company have also been allocated to the Company and is recorded in general and administrative expenses in the Combined Statements of Operations and included in the table above.

Related-party Management Fees The Parent provides management services to the Company for managing its real estate assets and the Company reimburses Parent for expenses incurred and pays Parent a management fee for services provided. The amounts outstanding pursuant to the management fee agreement between the Company and Parent are cash settled each month and are reflected in the Combined Balance Sheets as related-party payables to the extent unpaid as of each balance sheet date. As of December 31, 2023 and 2022, the Combined Balance Sheets reflects immaterial outstanding payables due to Parent with respect to the landlord management fees. These landlord management fees amounted to $0.3 million, $0.3 million, and $0.3 million for the years ended December 31, 2023, 2022, and 2021, respectively.

As discussed in Note 2 – *Investments in Unconsolidated Ventures*, CCMC, a wholly owned subsidiary of Jean-Georges Restaurants, which is a related party of the Company for periods after the Company's investment in Jean-Georges Restaurants in March 2022, also provides management services for certain of the Company's retail and food and beverage businesses, either wholly owned or through partnerships with third parties. The Company's businesses managed by CCMC include, but are not limited to, locations such as The Tin Building by Jean-Georges, The Fulton, and Malibu Farm. Pursuant to the various management agreements, CCMC is responsible for employment and supervision of all employees providing services for the food and beverage operations and

restaurant as well as the day-to-day operations and accounting for the food and beverage operations. As of December 31, 2023 and 2022, the Combined Balance Sheets reflect receivables for funds provided to CCMC with respect to the management fees of $1.2 million and $0.5 million, respectively and accounts payable of $0.2 million and $0.1 million, respectively due to CCMC with respect to reimbursable expenses to be funded by the Company. The Company's related-party management fees due to CCMC amounted to $2.2 million and $2.3 million for the years ended December 31, 2023 and 2022, respectively. CCMC was not a related party of the Company for the year ended December 31, 2021.

Related-party Rental Revenue The Company owns the real estate assets that are leased by Lawn Club and the Tin Building by Jean-Georges. The Company also leased space to the Ssäm Bar through the third quarter of 2023. As discussed in Note 2 – *Investments in Unconsolidated Ventures*, the Company owns a noncontrolling interest in these ventures and accounts for its interests in accordance with the equity method.

As of December 31, 2023 and 2022, the Combined Balance Sheets reflect accounts receivable of $0.1 million and $0.5 million, respectively, due from these ventures generated by rental revenue earned by the Company.

For the years ended December 31, 2023, 2022, and 2021, the Combined Income Statements reflect rental revenue associated with these related parties of $12.0 million, $5.7 million and $0.2 million, respectively. This is primarily comprised of $11.6 million and $5.0 million from the Tin Building by Jean-Georges for the years ended December 31, 2023 and 2022, respectively.

Related-party Other Receivables As of December 31, 2023, the Combined Balance Sheets include a $3.1 million receivable related to development costs incurred by the Company, which will be reimbursed by the Lawn Club venture. There was no similar receivable balance as of December 31, 2022.

15. Subsequent Events

The Company has evaluated the effects of subsequent events through May 23, 2024, the date the combined financial statements were available for issuance.

SCHEDULE III – REAL ESTATE AND ACCUMULATED DEPRECIATION

DECEMBER 31, 2023

Name of Center *thousands*	Location	Center Type	Encumbrances [a]	Initial Cost [b]		Costs Capitalized Subsequent to Acquisition [c]		Gross Amounts at Which Carried at Close of Period [d]			Accumulated Depreciation [e]	Date of Construction	Date Acquired / Completed
				Land	Buildings and Improvements	Land	Buildings and Improvements	Land	Buildings and Improvements	Total			
Seaport													
Historic District Area / Uplands	New York, NY	Retail	$ —	$ —	$ 7,884	$ —	$ 66,012	$ —	$ 73,896	73,896	$ (30,799)	2013	2016
Pier 17	New York, NY	Retail	—	—	468,476	—	(218,115)	—	250,361	250,361	(109,036)	2013	2018
85 South Street	New York, NY	Multi-family	—	15,913	8,137	(11,734)	(563)	4,179	7,574	11,753	(6,248)		2014
Tin Building	New York, NY	Retail	—	—	198,984	—	(137,112)	—	61,872	61,872	(13,963)	2017	2022
250 Water Street	New York, NY	Development	115,000	—	179,471	—	(83,450)	—	96,021	96,021	—		2018
Summerlin													
Aviators / Las Vegas Ballpark	Las Vegas, NV	Other	42,990	5,318	124,391	—	2,222	5,318	126,613	131,931	(30,599)	2018	2019
Total excluding Corporate and Deferred financing costs			**157,990**	**21,231**	**987,343**	**(11,734)**	**(371,006)**	**9,497**	**616,337**	**625,834**	**(190,645)**		
Corporate [f]	Various		—	—	14,054	—	782		14,836	14,836	(12,563)		
Deferred financing costs	N/A		(2,362)	—	—	—	—	—	—	—	—		
		Total	**$ 155,628**	**$ 21,231**	**$ 1,001,397**	**$ (11,734)**	**$ (370,224)**	**$ 9,497**	**$ 631,173**	**$ 640,670**	**$ (203,208)**		

(a) Refer to Note 6 – *Mortgages Payable, Net* in the Notes to Combined Financial Statements included in this information statement.
(b) Initial cost for projects undergoing development or redevelopment is cost through the end of first complete calendar year subsequent to the asset being placed in service.
(c) For retail and other properties, costs capitalized subsequent to acquisitions is net of cost of disposals or other property write-offs and impairment.
(d) The aggregate cost of land, building and improvements for federal income tax purposes is approximately $437 million.
(e) Depreciation is based upon the useful lives in Note 1 - *Summary of Significant Accounting Policies* in the Notes to Combined Financial Statements included in this information statement.
(f) Costs related to leasehold improvements related to Seaport office lease.

Reconciliation of Real Estate

thousands	2023	2022	2021
Balance as of January 1	$ 1,254,496	$ 1,175,122	$ 1,074,286
Additions	66,382	85,511	104,969
Dispositions and write-offs	(4,697)	(5,146)	(4,133)
Impairments	(672,492)	—	—
Contributions to unconsolidated ventures	(3,019)	(991)	—
Balance as of December 31	$ 640,670	$ 1,254,496	$ 1,175,122

Reconciliation of Accumulated Depreciation

thousands	2023	2022	2021
Balance as of January 1	$ 161,637	$ 120,790	$ 85,972
Depreciation Expense	45,030	43,985	38,838
Dispositions and Write-offs	(3,459)	(3,138)	(4,020)
Balance as of December 31	$ 203,208	$ 161,637	$ 120,790

FULTON SEAFOOD MARKET, LLC

FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2023 AND JANUARY 1, 2023



KPMG LLP
Suite 1400
2323 Ross Avenue
Dallas, TX 75201-2721

Independent Auditors' Report

The Members
Fulton Seafood Market, LLC:

Opinion

We have audited the financial statements of Fulton Seafood Market, LLC (the Company), which comprise the balance sheets as of December 31, 2023 and January 1, 2023, and the related statements of operations and members' equity (deficit) and cash flows for the fiscal years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2023 and January 1, 2023, and the results of its operations and its cash flows for the fiscal years then ended in accordance with U.S. generally accepted accounting principles.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Substantial Doubt About the Entity's Ability to Continue as a Going Concern

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 3 to the financial statements, the Company has suffered recurring losses from operations, negative cash flows from operations, and will continue to require funding in the form of contributions from the HHC member in order to fund its operations and meet obligations over the next twelve months. As such, the Company has stated that substantial doubt exists about the Company's ability to continue as a going concern. Management's evaluation of the events and conditions and management's plans regarding these matters are also described in Note 3. The financial statements do not include any adjustments that might result from the outcome of this uncertainty. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with U.S. generally accepted accounting principles, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

KPMG LLP, a Delaware limited liability partnership and a member firm of
the KPMG global organization of independent member firms affiliated with
KPMG International Limited, a private English company limited by guarantee.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

/s/ KPMG LLP

Dallas, Texas
February 6, 2024

FULTON SEAFOOD MARKET, LLC

BALANCE SHEETS

DECEMBER 31, 2023 AND JANUARY 1, 2023

	December 31, 2023	January 1, 2023
Assets		
Current Assets		
Cash and cash equivalents	$ 5,190,524	$ 1,947,694
Inventory, net	1,448,975	1,419,012
Due from related party	43,263	8,174
Prepaid expenses and other current assets	425,659	503,444
Total Current Assets	7,108,421	3,878,324
Property and Equipment, Net	10,885,813	7,877,265
Operating Right-of-Use Asset, Net	78,393,019	86,441,008
Security Deposits	167,395	—
Total Assets	$ 96,554,648	$ 98,196,597
Liabilities and Members' Equity		
Current Liabilities		
Accounts payable	$ 1,659,468	$ 1,523,620
Accrued expenses	3,663,070	3,927,929
Short-term operating lease liability	8,259,748	8,047,989
Total Current Liabilities	13,582,286	13,499,538
Long-Term Liabilities		
Long-term operating lease liability	70,133,271	78,393,019
Total Liabilities	83,715,557	91,892,557
Commitments and Contingencies		
Members' Equity	12,839,091	6,304,040
Total Liabilities and Members' Equity	$ 96,554,648	$ 98,196,597

See accompanying notes to financial statements

FULTON SEAFOOD MARKET, LLC

STATEMENTS OF OPERATIONS AND MEMBERS' EQUITY (DEFICIT)

FOR THE YEARS ENDED DECEMBER 31, 2023 AND JANUARY 1, 2023

	December 31, 2023	January 1, 2023
Net Sales	$ 32,353,619	$ 8,214,348
Costs and Expenses		
Restaurant and retail operating expenses:		
Food and beverage costs	6,782,568	2,601,165
Retail expenses	4,493,119	1,665,891
Labor and related expenses	25,570,496	13,778,180
Operating lease costs	12,210,133	4,624,268
Other operating expenses	11,692,137	7,239,678
Pre-opening costs	—	6,608,834
General and administrative expenses	13,122,128	8,463,922
Total Costs and Expenses	73,870,581	44,981,938
Net Loss	(41,516,962)	(36,767,590)
Members' Equity (Deficit) - Beginning of Year	6,304,040	(45,429)
Members contributions	48,052,013	43,117,059
Members' Equity - End of Year	$ 12,839,091	$ 6,304,040

See accompanying notes to financial statements.

FULTON SEAFOOD MARKET, LLC

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2023 AND JANUARY 1, 2023

	December 31, 2023	January 1, 2023
Cash Flows from Operating Activities		
Net loss	$ (41,516,962)	$ (36,767,590)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	2,720,016	631,129
Changes in operating assets and liabilities:		
Inventory, net	(29,963)	(1,419,012)
Advances to related party	(35,089)	(8,174)
Prepaid expenses and other current assets	77,785	(503,444)
Reduction in carrying amount of right of use asset	8,047,989	3,155,325
Security deposits	(167,395)	—
Accounts payable	135,848	1,523,408
Accrued expenses	(264,859)	3,882,712
Operating lease liabilities	(8,047,989)	(3,155,325)
Net Cash Used in Operating Activities	(39,080,619)	(32,660,971)
Cash Flows Used in Investing Activities		
Purchases of property and equipment	(5,728,564)	(8,508,394)
Cash Flows Provided by Financing Activities		
Contributions from Members	48,052,013	43,117,059
Net Increase in Cash	3,242,830	1,947,694
Cash - Beginning	1,947,694	—
Cash - Ending	$ 5,190,524	$ 1,947,694

See accompanying notes to financial statements.

FULTON SEAFOOD MARKET, LLC

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2023 AND JANUARY 1, 2023

NOTE 1 - BASIS OF PRESENTATION AND CONSOLIDATION

NATURE OF OPERATIONS

On July 22, 2015, HHC Seafood Market Member LLC (HHSM or the HHC member), a subsidiary of Howard Hughes Corporation (HHC), together with VS-Fulton Seafood LLC (VS Member), a wholly-owned subsidiary of JG Restaurant Holdco, LLC (JG), formed Fulton Seafood Market, LLC (the "Company"), through the Original Company LLC Agreement, for the purpose of operating a first-class "Jean Georges concept" food hall and market place, featuring various menus and atmosphere that will prepare and sell a variety of specialty goods, beverages, fresh seafood and other products. The Original Company LLC Agreement was superseded and replaced in its entirety by the Amended and Restated Operating Agreement dated as of January 8, 2018 and a Second Amended and Restated Operating Agreement was entered into as of August 11, 2022 (LLC Agreement).

Per Article 4 of the LLC Agreement, the HHC member shall contribute cash to the Company at such times and in such amounts as necessary in order to fund the operations of the Company. Under no circumstances shall the VS Member be required to make any Capital Contributions to the Company. As of December 31, 2023 and January 1, 2023, the HHC member has contributed $48,052,013 and $43,117,059 respectfully to the Company.

In September 2022, the Company opened the food hall and marketplace in the Tin Building which is located in the historic South Street Seaport of New York, New York. The Tin Building is owned by South Street Seaport Limited Partnership, a subsidiary of HHC and the Company's operations are managed by Creative Culinary Management Company, LLC (CCMC), a wholly owned subsidiary of JG Restaurant Holdco, LLC.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PRESENTATION

The accompanying financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP").

FISCAL YEAR

The Company utilizes a 52- or 53-week accounting period that ends on the Sunday closest to December 31. Fiscal years 2023 and 2022 are each comprised of a 52-week period. Unless otherwise stated, references to 2022 and 2023 in this report relate to fiscal year rather than calendar year.

ESTIMATES

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

CASH AND CASH EQUIVALENTS

The Company considers highly liquid investments with maturities of three months or less as cash equivalents. Cash and cash equivalents also included $523,651 and $455,764 at December 31, 2023 and January 1, 2023, respectively of amounts due from commercial credit card companies, such as Visa, MasterCard, Discover, and American Express, which are generally received within a few days of the related transactions.

INVENTORY, NET

Inventories primarily consist of food, beverages retail products and related merchandise. Inventories are accounted for at lower of cost or net realizable value using the first-in, first-out (FIFO) method. Spoilage is expensed as incurred. At December 31, 2023 and January 1, 2023, an inventory reserve totaling $181,533 and $343,668, respectively is included in inventory, net on the accompanying balance sheets.

PROPERTY AND EQUIPMENT

Property and equipment is stated at cost. The cost of additions and betterments are capitalized and expenditures for repairs and maintenance are expensed in the period incurred. The Company capitalizes construction costs during construction of the restaurant and will begin to depreciate them once the restaurant begins operations. When items of property and equipment are sold or retired, the related costs and accumulated depreciation are removed from the accounts and any gain or loss is included in the statements of operations.

Depreciation and amortization of property and equipment is recorded utilizing the straight-line method over the estimated useful lives of the respective assets. The Company does not assign any salvage value to its assets. Leasehold improvements are amortized over the shorter of either the term of the lease or the useful life of the improvement utilizing the straight-line method.

LONG-LIVED ASSETS

The Company assesses the recoverability of long-lived assets, which consists of property and equipment, and right-of-use assets, whenever events or changes in circumstances indicate that the carrying value of the assets may not be recoverable. An impairment loss may be recognized when estimated undiscounted future cash flows expected to result from the use of the asset, including disposition, is less than the carrying value of the asset. The measurement of the impairment loss to be recognized is based on the difference between the fair value and the carrying amounts of the assets. Fair value is generally determined by estimates of discounted cash flows or value expected to be realized in third-party sale. No impairments have been recorded for the years ended December 31, 2023 and January 1, 2023.

INCOME TAXES

The Company is a limited liability company, which has elected to be taxed under the provisions of a partnership for income tax purposes. As such, the Company's income or loss and credits are passed through to the members and reported on their individual income tax returns.

The Company recognizes and measures its unrecognized tax benefits in accordance with FASB ASC 740, Income Taxes. Under that guidance, management assesses the likelihood that tax positions will be sustained upon examination based on the facts, circumstances, and information available at the end of each period, including the technical merits of those positions. The measurement of unrecognized tax benefits is adjusted when new information is available or when an event occurs that requires a change. Tax positions taken related to the Company's federal tax filing classification and state income taxes have been reviewed, and management is of the opinion that material positions taken by the Company would more likely than not be sustained by examination. Accordingly, the Company has not recorded an income tax liability for uncertain tax positions.

REVENUE RECOGNITION

The Company recognizes revenue in accordance with Accounting Standards Update ("ASU") 2014-09, Revenue from Contracts with Customers (Topic 606), which requires an entity to allocate the transaction price received from customers to each separate and distinct performance obligation and recognize revenue as these performance obligations are satisfied.

Revenue from restaurant sales is presented net of discounts and recognized when food and beverage are sold. Revenue from retail sales is presented net of discounts and recognized when retail products and related merchandise is sold.

The revenue from gift cards is included in unearned revenue when purchased by the customer and revenue is recognized when the gift cards are redeemed. Unearned revenues include liabilities established for the value of the gift cards when sold and are included in accrued expenses on the Company's balance sheet were not material as of December 31, 2023 and January 1, 2023. The revenue from gift cards were not material for the year ended of December 31, 2023 and January 1, 2023.

The following table sets forth the Company's nets sales disaggregated by sales channel for the years ended December 31, 2023 and January 1, 2023:

	December 31, 2023	January 1, 2023
Food	$ 17,661,115	$ 4,121,698
Alcohol	6,686,391	1,572,139
Retail	8,006,113	2,520,511
Total	$ 32,353,619	$ 8,214,348

ADVERTISING COSTS

Advertising costs, which are included in general and administrative expenses, are expensed as incurred. Advertising expenses for the years ended December 31, 2023 and January 1, 2023, amounted to $1,784,991 and $1,955,245, respectively and are included in general and administrative expenses on the statements of operations and member's equity (deficit).

RECLASSIFICATIONS

Certain reclassifications were made to the financial statements for the prior periods to conform to current year presentation.

PRE-OPENING COSTS

The Company follows ASC Topic 720-15, "Start-up Costs," which provides guidance on the financial reporting of start-up costs and organization costs. In accordance with this ASC Topic, costs of pre-opening activities and organization costs are expensed as incurred. Pre-opening costs include all expenses incurred by the restaurants prior to the restaurant's opening for business.

PRE-OPENING COSTS (CONTINUED)

These pre-opening costs include marketing, advertising, research and development on products, recipes and menus, costs to relocate and reimburse restaurant management staff members, costs to recruit and train hourly restaurant staff members, wages, travel, and lodging costs for the Company's training team and other support staff members. Pre-opening costs expensed for the years ended December 31, 2023 and January 1, 2023 were $- and $6,608,834, respectively.

PRESENTATION OF SALES TAXES

The Company collects sales tax from customers and remits the entire amount to the respective states. The Company's accounting policy is to exclude the tax collected and remitted from revenue and cost of sales. Sales tax payable amounted to $258,542 and $148,636 at December 31, 2023 and January 1, 2023, respectively and is presented in accrued expenses in the accompanying balance sheets.

NOTE 3 - LIQUIDITY AND GOING CONCERN

The Company had a negative operating cash flows of $39,080,619 and $32,660,971 at December 31, 2023 and January 1, 2023, respectively and a net loss of $41,516,962 and $36,767,590 at December 31, 2023 and January 1, 2023, respectively. Whether, and when, the Company can attain profitability and positive cash flows from operations is uncertain. As such, the Company will continue to require funding in the form of contributions from the

HHC member in order to fund its operations and meet obligations over the next twelve months from the date these financials statements are available to be issued.

Based on its significant loss from operations and negative cash flows from operations for the fiscal year 2023 and 2022, as well as, the future uncertainty, the Company has concluded that there is substantial doubt about the Company's ability to continue as a going concern for the next 12 months. However, the financial statements do not include any adjustments to the carrying amounts and classifications of assets, liabilities, and reported expenses that may be necessary if the Company were unable to continue as a going concern.

NOTE 4 - PROPERTY AND EQUIPMENT

Property and equipment are summarized as follows for the years ended December 31, 2023 and January 1, 2023:

	December 31, 2023	January 1, 2023	Estimated Useful Lives
Leasehold improvements	$ 730,085	$ 21,090	Lease term
Kitchen equipment and other	2,161,427	1,412,235	5 year
Computers and computer systems	8,588,417	4,225,285	3 - 5 years
Furniture and fixtures	2,028,854	2,722,974	5 year
Construction in progress	728,175	126,810	
	14,236,958	8,508,394	
Less: accumulated depreciation	(3,351,145)	(631,129)	
Property and Equipment, Net	$ 10,885,813	$ 7,877,265	

Depreciation and amortization expense related to property and equipment amounted to $2,720,016 and $631,129 for the years ended December 31, 2023 and January 1, 2023, respectively, and included in general and administrative expenses on the statements of operations and members' equity (deficit).

NOTE 5 - RELATED-PARTY TRANSACTIONS

In July 2020, the Company entered into a management agreement with CCMC to manage the location including the food and beverage operations. The agreement will terminate on the earlier of ten years from the effective date of the agreement or the date that the lease terminates. The management agreement stipulates a fixed fee of $150,000 per month as well as an annual fixed overhead management fee of $125,000 per year. Total management fees amounted to $1,925,000 and $850,805 for the years ended December 31, 2023 and January 1, 2023, respectively and is included in general and administrative expenses on the statements of operations and member's equity (deficit).

Future management fees under the management agreement consist of the following:

For the Fiscal Years ended:	
2024	$ 1,925,000
2025	1,925,000
2026	1,925,000
2027	1,925,000
2028	1,925,000
Thereafter	2,887,500
Total	$ 12,512,500

Pursuant to the management agreement, CCMC is responsible for the day-to-day operations and accounting functions. Payroll expenses reimbursed to the related party amounted to $887,904 and $405,311 for the years ended December 31, 2023 and January 1, 2023, respectively and is included in general and administrative expenses on the statements of operations and member's equity (deficit).

NOTE 6 - LEASES

HHC owns 100% of the Tin Building and the Company leases its restaurant space under an operating lease with a 10-year initial term. HHC, as landlord, funded 100% of the development and construction of the restaurant space. The lease includes renewal options which can extend the lease term with two separate consecutive 5-year lease terms. The exercise of these renewal options is at the sole discretion of the Company, and only lease options that the Company believes are reasonably certain to exercise are included in the measurement of the lease assets and liabilities.

The lease agreement provides for minimum lease payments and does not include any material residual value guarantees or restrictive covenants.

The following summarizes the line items in the balance sheet which include amounts for operating leases as of December 31, 2023 and January 1, 2023:

	December 31, 2023	January 1 2023
Operating right-of-use assets	78,393,019	86,441,008
Short-term operating lease liability	8,259,748	8,047,989
Long-term operating lease liability	70,133,271	78,393,019
Total Operating Lease Liability	78,393,019	86,441,008

The components of operating lease costs are as follows for the years ended December 31, 2023 and January 1, 2023:

	December 31, 2023	January 1 2023
Operating lease costs		
Fixed rent costs	$ 10,200,000	$ 4,112,903
Variable lease costs	2,010,133	511,365
Total Operating Lease Costs	$ 12,210,133	$ 4,624,268

The following summarizes the cash flow information related to operating leases for the years ended December 31, 2023 and January 1, 2023:

	December 31, 2023	January 1 2023
Cash paid for amounts included in the measurement of lease liabilities:		
Operating Cash Flows from Operating Leases	$ 10,200,000	$ 4,112,903

Weighted average lease term and incremental borrowing rate as of December 31, 2023 were as follows:

Remaining lease term - operating	8.5
Discount rate - operating	2.60 %

The maturities of operating lease liabilities are as follows:

For the Years Ending December 31:		
2025	$	10,200,000
2026		10,200,000
2027		10,200,000
2028		10,200,000
2029		10,200,000
Thereafter		36,550,000
Total lease payments		87,550,000
Less: interest		(9,156,981)
Present Value of Lease Liability	$	78,393,019

NOTE 7 - CONCENTRATION OF CREDIT RISK

For the years ended December 31, 2023 and January 1, 2023, the Company maintained all cash balances with one financial institution. The Federal Deposit Insurance Corporation ("FDIC") insures certain accounts up to $250,000. At times, the Company's balances may exceed the FDIC insured limits.

The Company had two suppliers which accounted for approximately 34% and 28% of purchases for the years ended December 31, 2023 and January 1, 2023, respectively. At December 31, 2023 and January 1, 2023, the amounts due to these suppliers were approximately $246,000 and $229,000, respectively. Management believes that other suppliers could provide the merchandise on comparable terms.

NOTE 8 - COMMITMENTS AND CONTINGENCIES

Liabilities for loss contingencies arising from claims, assessments, litigation, fines and penalties, and other sources are recorded when it is probable that a liability has been incurred, and the amount of the liability can be reasonably estimated. The Company is subject to various legal and governmental proceedings involving routine litigation incidental to our business. Reserves have been established based on our best estimates of our potential liability in certain of these matters. These estimates have been developed in consultation with outside counsel.

During Fiscal 2023, legal proceedings were brought against the Company from two of the Company's outside vendors. The cases are currently pending, however, the Company has recorded an accrual in the amount of approximately $1,084,000 for potential legal damages, which is reflected in accrued expenses and other operating expenses. The Company does not believe the ultimate resolution of these matters will have a material impact on its consolidated financial position, results of operations or cash flows.

NOTE 9 - SUBSEQUENT EVENTS

The Company has evaluated subsequent events that have occurred through February 6, 2024, the date on which the financial statements were available for issuance and there have been no events which would have a material impact on these financial statements.

FULTON SEAFOOD MARKET, LLC

FINANCIAL STATEMENTS

FOR THE YEAR ENDED JANUARY 1, 2023

Independent Auditors' Report

The Members
Fulton Seafood Market, LLC:

Opinion

We have audited the financial statements of Fulton Seafood Market, LLC (the Company), which comprise the balance sheet as of January 1, 2023, and the related statements of operations and member's equity (deficit) and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of January 1, 2023, and the results of its operations and its cash flows for the year then ended in accordance with U.S. generally accepted accounting principles.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Substantial Doubt About the Entity's Ability to Continue as a Going Concern

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 3 to the financial statements, the Company has suffered losses from operations, negative cash flows from operations, and will continue to require funding in the form of contributions from the HHC member in order to fund its operations and meet obligations over the next twelve months. As such, the Company has stated that substantial doubt exists about the Company's ability to continue as a going concern. Management's evaluation of the events and conditions and management's plans regarding these matters are also described in Note 3. The financial statements do not include any adjustments that might result from the outcome of this uncertainty. Our opinion is not modified with respect to this matter.

Emphasis of Matter

As discussed in Note 2 to the financial statements, as of January 2, 2022, the Company adopted new accounting guidance Accounting Standards Update (ASU) No. 2016-02, Leases (Topic 842), as amended. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with U.S. generally accepted accounting principles, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

/s/ KPMG LLP

Dallas, Texas
September 20, 2023

FULTON SEAFOOD MARKET, LLC

BALANCE SHEET

	January 1, 2023
ASSETS	
Current Assets	
Cash and cash equivalents	$ 1,947,694
Inventory, net	1,419,012
Due from related party	8,174
Prepaid expenses and other current assets	503,444
Total Current Assets	3,878,324
Property and Equipment, net	7,877,265
Operating right-of-use asset, net	86,441,008
Total Assets	$ 98,196,597
LIABILITIES AND MEMBERS' EQUITY	
Current Liabilities	
Accounts payable	$ 1,523,620
Accrued expenses	3,927,929
Short-term operating lease liability	8,047,989
Total Current Liabilities	13,499,538
Long-term Liabilities	
Long-term operating lease liability	78,393,019
Total Long-term Liabilities	78,393,019
Total Liabilities	91,892,557
Commitments and Contingencies	
Members' Equity	6,304,040
Total Liabilities and Members' Equity	$ 98,196,597

See accompanying notes to the financial statements.

FULTON SEAFOOD MARKET, LLC

STATEMENT OF OPERATIONS AND MEMBER'S EQUITY (DEFICIT)

	Year Ended January 1, 2023
Net sales	$ 8,214,348
Costs and expenses	
Restaurant and retail operating expenses	
Food and beverage costs	2,601,165
Retail expenses	1,665,891
Labor and related expenses	13,778,180
Rent and related expenses	4,562,987
Other operating expenses	7,300,959
Pre-opening costs	6,608,834
General and administrative expenses	8,463,922
Total Costs and Expenses	44,981,938
Net Loss	$ (36,767,590)
Members' Deficit, Beginning of Year	(45,429)
Members Contributions	43,117,059
Members' Equity, End of Year	$ 6,304,040

See accompanying notes to the financial statements.

FULTON SEAFOOD MARKET, LLC

STATEMENT OF CASH FLOWS

	Year Ended January 1, 2023
Cash Flows From Operating Activities	
Net loss	$ (36,767,590)
Adjustments to reconcile net loss to net cash used in operating activities:	
Depreciation and amortization	631,129
Changes in operating assets and liabilities:	
Inventory, net	(1,419,012)
Prepaid expenses and other current assets	(503,444)
Reduction in carrying amount of right of use asset	3,155,325
Accounts payable	1,523,408
Accrued expenses	3,882,712
Operating lease liabilities	(3,155,325)
Net Cash Used In Operating Activities	(32,652,797)
Cash Flows From Investing Activities	
Purchases of property and equipment	(8,508,394)
Net Cash Used In Investing Activities	$ (8,508,394)
Cash Flows From Financing Activities	
Advances to related party	(8,174)
Contributions from Members	43,117,059
Net Cash Provided By Financing Activities	43,108,885
Net Increase in Cash	1,947,694
Cash - Beginning	—
Cash - Ending	$ 1,947,694

See accompanying notes to the financial statements

FULTON SEAFOOD MARKET, LLC

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JANUARY 1, 2023

NOTE 1 - NATURE OF OPERATIONS

On July 22, 2015, HHC Seafood Market Member LLC (HHSM or the HHC member), a subsidiary of Howard Hughes Corporation (HHC), together with VS-Fulton Seafood LLC (VS Member), a wholly-owned subsidiary of JG Restaurant Holdco, LLC (JG), formed Fulton Seafood Market, LLC (the "Company"), through the Original Company LLC Agreement, for the purpose of operating a first-class "Jean Georges concept" food hall and market place, featuring various menus and atmosphere that will prepare and sell a variety of specialty goods, beverages, fresh seafood and other products. The Original Company LLC Agreement was superseded and replaced in its entirety by the Amended and Restated Operating Agreement dated as of January 8, 2018 and a Second Amended and Restated Operating Agreement was entered into as of August 11, 2022 (LLC Agreement).

Per Article 4 of the LLC Agreement, the HHC member shall contribute cash to the Company at such times and in such amounts as necessary in order to fund the operations of the Company. Under no circumstances shall the VS Member be required to make any Capital Contributions to the Company. As of January 1, 2023, the HHC member has contributed $43,117,059 to the Company.

In September 2022, the Company opened the food hall and market place in the Tin Building which is located in the historic South Street Seaport of New York, New York. The Tin Building is owned by South Street Seaport Limited Partnership, a subsidiary of HHC and the Company's operations are managed by Creative Culinary Management Company, LLC (CCMC), a wholly owned subsidiary of JG Restaurant Holdco, LLC.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PRESENTATION

The accompanying financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP").

Fiscal Year

The Company utilizes a 52 or 53 week accounting period that ends on the Sunday closest to December 31. Fiscal year 2022 is comprised of a 52-week period.

ESTIMATES

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

CASH AND CASH EQUIVALENTS

The Company considers highly liquid investments with maturities of three months or less as cash equivalents. Cash and cash equivalents also included $455,764 of amounts due from commercial credit card companies, such as Visa, MasterCard, Discover, and American Express, which are generally received within a few days of the related transactions. At times, the balances in the cash and cash equivalents accounts may exceed federal insured limits. The Federal Deposit Insurance Corporation insures eligible accounts up to $250,000 per depositor at each financial institution. The Company limits uninsured balances to only large, well-known financial institutions and believes that it is not exposed to significant credit risk on cash and cash equivalents.

INVENTORY

Inventories primarily consist of food, beverages retail products and related merchandise. Inventories are accounted for at lower of cost or net realizable value using the first-in, first-out (FIFO) method. Spoilage is expensed as incurred.

PROPERTY AND EQUIPMENT

Property and equipment is stated at cost. The cost of additions and betterments are capitalized and expenditures for repairs and maintenance are expensed in the period incurred. The Company capitalizes construction costs during construction of the restaurant and will begin to depreciate them once the restaurant begins operations. When items of property and equipment are sold or retired, the related costs and accumulated depreciation are removed from the accounts and any gain or loss is included in the statements of operations.

Depreciation and amortization of property and equipment is recorded utilizing the straight-line method over the estimated useful lives of the respective assets. The Company does not assign any salvage value to its assets

Leasehold improvements are amortized over the shorter of either the term of the lease or the useful life of the improvement utilizing the straight-line method.

LONG-LIVED ASSETS

The Company assesses the recoverability of long-lived assets, which consists of property and equipment, and right-of-use assets, whenever events or changes in circumstances indicate that the carrying value of the assets may not be recoverable. An impairment loss may be recognized when estimated undiscounted future cash flows expected to result from the use of the asset, including disposition, is less than the carrying value of the asset. The measurement of the impairment loss to be recognized is based on the difference between the fair value and the carrying amounts of the assets. Fair value is generally determined by estimates of discounted cash flows or value expected to be realized in third-party sale. No impairments have been recorded for period ended January 1, 2023.

INCOME TAXES

The Company is a limited liability company, which has elected to be taxed under the provisions of a partnership for income tax purposes. As such, the Company’s income or loss and credits are passed through to the members and reported on their individual income tax returns.

The Company recognizes and measures its unrecognized tax benefits in accordance with FASB ASC 740, Income Taxes. Under that guidance, management assesses the likelihood that tax positions will be sustained upon examination based on the facts, circumstances, and information available at the end of each period, including the technical merits of those positions. The measurement of unrecognized tax benefits is adjusted when new information is available or when an event occurs that requires a change. Tax positions taken related to the Company’s federal tax filing classification and state income taxes have been reviewed, and management is of the opinion that material positions taken by the Company would more likely than not be sustained by examination. Accordingly, the Company has not recorded an income tax liability for uncertain tax positions.

ADOPTION OF FASB ASC 842

Effective January 2, 2022, the Company adopted FASB Accounting Standards Codification (ASC) 842, Leases (ASC 842). The Company determines if an arrangement contains a lease at inception based on whether the Company has the right to control the asset during the contract period and other facts and circumstances. The Company elected the package of practical expedients permitted under the transition guidance within the new standard, which among other things, allowed it to carry forward the historical lease classification. The Company elected the short-term lease recognition exemption for all leases that qualify. Consequently, for those leases that qualify, the Company will not recognize right-of-use assets or lease liabilities on the balance sheet. The Company generally does not have access to the rate implicit in the lease, and therefore the Company utilizes a risk-free rate as the discount rate. At the time of adoption there were no leases; therefore, there was no impact on the Company's financial statements as a whole.

The lease entered into as of August 6, 2022 resulted in the recognition of right-of-use assets of $89,596,333 and operating lease liabilities of $89,596,333, which is the date the restaurant began operations. See Note 6.

REVENUE RECOGNITION

The Company recognizes revenue in accordance with Accounting Standards Update ("ASU") 2014-09, Revenue from Contracts with Customers (Topic 606), which requires an entity to allocate the transaction price received from customers to each separate and distinct performance obligation and recognize revenue as these performance obligations are satisfied. Revenue from restaurant sales is presented net of discounts and recognized when food and beverage are sold. Revenue from retail sales is presented net of discounts and recognized when retail products and related merchandise is sold. Sales tax collected from customers is excluded from restaurant and retail sales and the obligation is included in sales tax payable until the taxes are remitted to the appropriate taxing authorities.

The revenue from gift cards is included in unearned revenue when purchased by the customer and revenue is recognized when the gift cards are redeemed. Unearned revenues include liabilities established for the value of the gift cards when sold and are included in accrued expenses on the Company's balance sheet and were not material as of January 1, 2023. The revenue from gift cards were not material for the year ended January 1, 2023.

The following table sets forth the Company's nets sales disaggregated by sales channel:

Food	$	4,121,698
Alcohol		1,572,139
Retail		2,520,511
Total	$	8,214,348

ADVERTISING COSTS

Advertising costs, which are included in general and administrative expenses, are expensed as incurred. Advertising expenses for the year ended January 1, 2023, amounted to $1,955,245 and are included in general and administrative expenses on the statement of operations and member's equity (deficit).

PRE-OPENING COSTS

The Company follows ASC Topic 720-15, "Start-up Costs," which provides guidance on the financial reporting of start-up costs and organization costs. In accordance with this ASC Topic, costs of pre-opening activities and organization costs are expensed as incurred. Pre-opening costs include all expenses incurred by the restaurant prior to the restaurant's opening for business. These pre-opening costs include marketing, advertising, research and development on products, recipes and menus, costs to relocate and reimburse restaurant management staff members, costs to recruit and train hourly restaurant staff members, wages, travel, and lodging costs for the Company's training team and other support staff members. Pre-opening costs expensed for the year ended January 1, 2023 were $6,608,834.

PRESENTATION OF SALES TAXES

The Company collects sales tax from customers and remits the entire amount to the respective states. The Company's accounting policy is to exclude the tax collected and remitted from revenue and cost of sales. Sales tax payable amounted to $148,636 at January 1, 2023, and is presented in accrued expenses in the accompanying balance sheet.

NOTE 3 - LIQUIDITY AND GOING CONCERN

The Company had negative operating cash flows of $32,652,797 and net loss of $36,767,590. Whether, and when, the Company can attain profitability and positive cash flows from operations is uncertain. As such, the Company will continue to require funding in the form of contributions from the HHC member in order to fund its

operations and meet obligations over the next twelve months from the date these financials statements are available to be issued.

Based on its significant loss from operations and negative cash flows from operations for the fiscal year 2022, as well as, the future uncertainty, the Company has concluded that there is substantial doubt about the Company's ability to continue as a going concern for the next 12 months. However, the financial statements do not include any adjustments to the carrying amounts and classifications of assets, liabilities, and reported expenses that may be necessary if the Company were unable to continue as a going concern.

NOTE 4 - PROPERTY AND EQUIPMENT

Property and equipment is summarized as follows:

			Estimated Useful Lives
Leasehold Improvements	$	21,090	Lease term
Kitchen equipment and other		1,412,235	5 years
Computers and computer systems		4,225,285	3 - 5 years
Furniture and fixtures		2,722,974	5 years
Construction in Progress		126,810	
		8,508,394	
Less: Accumulated depreciation		(631,129)	
Property and Equipment, Net	$	7,877,265	

Depreciation and amortization expense related to property and equipment amounted to $631,129, for the year ended January 1, 2023 and included in general and administrative expenses on the statement of operations and members' equity (deficit).

NOTE 5 - RELATED PARTY TRANSACTIONS

In July 2020, the Company entered into a management agreement with CCMC to manage the location including the food and beverage operations. The agreement will terminate on the earlier of ten years from the effective date of the agreement or the date that the lease terminates. The management agreement stipulates a fixed fee of $150,000 per month as well as an annual fixed overhead management fee of $125,000 per year. Total management fees amounted to $850,805 for the year ended January 1, 2023 and is included in general and administrative expenses on the statement of operations and member's equity (deficit).

Future management fees under the management agreement consist of the following:

For the Years Ending January 1:		
2024	$	1,925,000
2025		1,925,000
2026		1,925,000
2027		1,925,000
2028		1,925,000
Thereafter		4,812,500
Total	$	14,437,500

Pursuant to the management agreement, CCMC is responsible for the day-to-day operations and accounting functions. Payroll expenses reimbursed to the related party amounted to $405,311 for the year ended January 1, 2023 and is included in general and administrative expenses on the statement of operations and member's equity (deficit).

NOTE 6 - LEASES

HHC owns 100% of the Tin Building and the Company leases its restaurant space under an operating lease with a 10 year initial term. HHC, as landlord, funded 100% of the development and construction of the restaurant space. The lease includes renewal options which can extend the lease term with two separate consecutive 5 year lease terms. The exercise of these renewal options is at the sole discretion of the Company, and only lease options that the Company believes are reasonably certain to exercise are included in the measurement of the lease assets and liabilities.

The lease agreement provides for minimum lease payments and does not include any material residual value guarantees or restrictive covenants.

The following summarizes the line items in the balance sheet which include amounts for operating leases as of January 1,2023:

Operating right-of-use assets	$	86,441,008
Short-term operating lease liability		8,047,989
Long-term operating lease liability		78,393,019
Total operating lease liability	$	86,441,008

The components of operating lease costs are as follows for the year ended January 1, 2023:

Operating lease costs		
Fixed rent costs	$	4,112,903
Variable lease costs		511,365
	$	4,624,268

The following summarizes the cash flow information related to operating leases for the year ended January 1, 2023:

Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	$	4,112,903

Weighted average lease term and incremental borrowing rate as of January 1, 2023 were as follows:

Remaining lease term - operating	9.5
Discount rate - operating	2.60 %

The maturities of operating lease liabilities are as follows:

For the Years Ending January 1:		
2024	$	10,200,000
2025		10,200,000
2026		10,200,000
2027		10,200,000
2028		10,200,000
Thereafter		46,750,000
Total lease payments		97,750,000
Less: Interest		(11,308,992)
Present Value of Lease Liability	$	86,441,008

NOTE 7 - CONCENTRATION OF CREDIT RISK

For the year ended January 1, 2023, the Company maintained all cash balances with one financial institution. The Federal Deposit Insurance Corporation ("FDIC") insures certain accounts up to $250,000. At times, the Company's balances may exceed the FDIC insured limits.

The Company had two suppliers which accounted for approximately 28% of purchases for the year ended January 1, 2023. At January 1, 2023, the amounts due to these suppliers were approximately $229,000. Management believes that other suppliers could provide the merchandise on comparable terms.

NOTE 8 - COMMITMENTS AND CONTINGENCIES

Liabilities for loss contingencies arising from claims, assessments, litigation, fines and penalties, and other sources are recorded when it is probable that a liability has been incurred, and the amount of the liability can be reasonably estimated. The Company is subject to various legal and governmental proceedings involving routine litigation incidental to our business. Reserves have been established based on our best estimates of our potential liability in certain of these matters. These estimates have been developed in consultation with outside counsel. Certain legal proceedings are pending against the Company as of January 1, 2023. The Company does not believe the ultimate resolution of these matters will have a material impact on its consolidated financial position, results of operations or cash flows.

NOTE 9 - SUBSEQUENT EVENTS

The Company has evaluated subsequent events that have occurred through September 20, 2023, the date on which the financial statements were available for issuance and there have been no events which would have a material impact on these financial statements.