

FOUR SEASONS HOTELS LIMITED

*1165 Leslie Street
Toronto, Ontario
Canada M3C 2K8*

February 24, 2017

Harbor East Parcel D – Hotel, LLC and
Harbor East Parcel D – Residential, LLC
c/o H&S Properties Development Corp.
650 S. Exeter Street, Suite 200
Baltimore, Maryland
U.S.A. 21202

Dear Sirs:

Re: Four Seasons Private Residences Baltimore – Expansion Floors 19 and 20

Reference is made to: (a) the residential management and services agreement to be entered into between Four Seasons Hotels Limited (“**Four Seasons**”), Harbor East Parcel D – Residential, LLC (“**Private Residences Owner**”) and the Council of Unit Owners of Harbor East Tower Condominium (the “**Private Residences Management Agreement**”) pursuant to the amended and restated private residences sales and marketing license agreement dated as of December 3, 2015 between Four Seasons and Harbor East Parcel D – Residential, LLC; and (b) the hotel management agreement dated August 31, 2007 between Four Seasons and Harbor East Parcel D – Hotel, LLC (“**Hotel Owner**”), as amended by a first amendment to hotel agreements dated July 11, 2012 and by a second amendment to hotel agreements dated June 14, 2014 (collectively, the “**Hotel Management Agreement**”). Unless otherwise indicated, all capitalized terms used without definition in this letter agreement shall have the respective meanings set forth in the Private Residences Management Agreement and/or the Hotel Management Agreement, as applicable.

This letter agreement will confirm our agreement that:

1. Hotel Owner and Private Residences Owner have informed Four Seasons that:
 - (a) the lands and premises adjacent to the Hotel Unit and presently designated as the 19th and 20th floors of the Hotel Tower (“**Floors 19 and 20**”) are designated as expansion floors that may be annexed into the Residential Condominium in accordance with the terms and conditions of the Residential Condominium Governing Documents; and
 - (b) Floors 19 and 20 are owned by Private Residences Owner.

2. To the extent that Floors 19 and 20 are not annexed into the Residential Condominium, Hotel Owner and Private Residences Owner covenant and agree with Four Seasons as follows:
- (a) Floors 19 and 20 are to be developed as hotel standard rooms and suites ("Hotel Keys") and not as any other type or kind of product;
 - (b) Four Seasons, as Operator under the Hotel Management Agreement, shall have the right to approve the layout and design of Floors 19 and 20, which Hotel Owner and Private Residences Owner acknowledge and agree shall be to the World Class Luxury Hotel standard and include the reconfiguring the units to be saleable in the market as Hotel Keys; and
 - (c) any proposal to incorporate Floors 19 and 20 into the Hotel will be subject to the prior written approval of Four Seasons, as Operator under the Hotel Management Agreement, acting reasonably. Hotel Owner acknowledges and agrees that as part of Four Seasons' right to approve any proposal to incorporate Floors 19 and 20 into the Hotel, Four Seasons and Hotel Owner will meet to consider the impact of the incorporation of Floors 19 and 20 into the Hotel on the Hotel's performance, and the Basic Fee (as defined in the Hotel Management Agreement) and the Incentive Fee (as defined in the Hotel Management Agreement). Four Seasons and Hotel Owner shall agree upon an appropriate, fair and equitable adjustment to either or both of the Basic Fee and the Incentive Fee or the thresholds in respect thereof to compensate Four Seasons for the incorporation of Floors 19 and 20 in accordance with the Hotel Management Agreement.
3. Hotel Owner and Four Seasons agree that a breach of the provisions of this letter agreement shall constitute a default under section 20.01(e) of the Hotel Management Agreement.
4. This letter agreement may be executed simultaneously in two counterparts, each of which counterparts shall be deemed an original. In providing this letter agreement, it shall not be necessary to produce or account for more than one of the counterparts.
5. This letter agreement shall be construed, interpreted and applied in accordance with, and shall be governed by, the laws of the State of Maryland.
6. In the event of any Dispute under or pursuant to this letter agreement, such dispute shall be resolved in accordance with the provisions of sections 21.02 and 21.03 of the Hotel Management Agreement, which provisions are hereby incorporated by reference herein with such changes and modifications thereto as are necessary to reflect the provisions of this Agreement, and are hereby deemed to be an integral part of this Agreement.
7. This Agreement shall enure to the benefit of and be binding upon each of the parties hereto and their respective successors and permitted assigns under the Hotel Agreements (as defined in the Hotel Management Agreement), as the case may be.
8. Each of parties hereto hereby acknowledges and agrees that this letter agreement and the contents hereof are confidential and may not be disclosed by any of them or any of their

respective Affiliates in whole or in part to any Person without the prior written consent of the other parties. Notwithstanding the foregoing, each of the parties hereto shall be entitled to disclose this letter agreement and the contents hereof (a) as may be required by Applicable Law, (b) to any banks, financial institutions and investment banks involved in any *bona fide* financing or public offering that, in each case, need to know of this letter agreement and the contents hereof, are informed of the confidential nature of this letter agreement and the contents hereof and agree to be bound by the terms of this section 8.

9. The provisions of sections 24.01, 24.02, 24.03, 24.05, 24.08, 24.09 and 24.10 of the Hotel Management Agreement are hereby incorporated by reference herein with such changes and modifications thereto as are necessary to reflect the provisions of this Agreement, and are deemed to be an integral part of this Agreement.

Yours very truly,

FOUR SEASONS HOTELS LIMITED

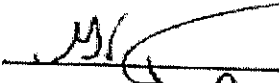
By: 
Name: Sarah Cohen
Executive Vice President
Title: General Counsel & Secretary

By: 
Name: John Davison
Executive Vice President
and Chief Financial Officer
Title: _____

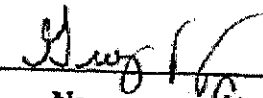
If the foregoing accurately sets forth our understanding and is acceptable to you, please indicate your acceptance by signing in the space below.

AGREED TO AND ACCEPTED as of the date first written above.

HARBOR EAST PARCEL D - HOTEL, LLC

By: 
Name: George Philippon
Title: Authorized Person

HARBOR EAST PARCEL D - RESIDENTIAL, LLC

By: 
Name: George Philippon
Title: Authorized Person