

September 3, 1998

The Neiman Marcus Group, Inc.  
27 Boylston Street  
Chestnut Hill, MA 02167

RE: Lease dated November 2, 1998 between 151 Worth Avenue Partnership Ltd. ("Landlord") and The Neiman Marcus Group, Inc. ("Tenant") concerning certain property located on Worth Avenue, Town of Palm Beach, Florida

Gentleman:

The purpose of this letter is for Landlord and Tenant to allocate between themselves those obligations and responsibilities set forth in the Declaration of Use Agreement attached hereto as Exhibit "A" and the Acknowledgment of Declaration of Use Agreement hereto attached as Exhibit "B" (the "Acknowledgment"). This Letter Agreement shall supplement the Lease Agreement and be considered a part thereof.

1. Until the date Landlord delivers possession of the Building ready for Tenant to commence Tenant's Improvements ("Possession Date"), Landlord shall bear the expense of providing a mobile off duty police officer to direct traffic during construction activities on the 100 block of Worth Avenue at the direction of the Town of Palm Beach's (the "Town") chief of police as required pursuant to Condition 12 of Article IV of the Declaration. Between the Possession Date and the date Tenant opens for business, Tenant will bear the expense of such police officer. Thereafter, Landlord will be responsible for the cost and expense of a mobile police officer as required under Condition 2 of Article IV of the Declaration to manage traffic flow on Worth Avenue at the direction of the Town's chief of police from November 1st to April 30<sup>th</sup> of each year.
2. If the Town determines pursuant to Condition 13 of Article IV of the Declaration and Condition 12 of Article IV of the Acknowledgment that twenty (20) surface parking spaces on the Peruvian lot are needed to satisfy the parking demands of the Demised Premises, Landlord will construct the same at its sole cost and expense. Until the Town so determines, the Declaration requires that the Peruvian Lot be landscaped as set forth in Condition 13 of Article IV

The Neiman Marcus Group, Inc.  
September 3, 1998  
Page two

of the Declaration. The parties hereto agree that such landscaping will be initially installed by Landlord as part of "Landlord's Improvements" (as such term is defined in the Lease) at Landlord's sole cost and expense. Once installed, such landscaping and/or parking spaces shall be maintained by Tenant to the satisfaction of the Town at its sole cost and expense as part of its maintenance and replacement obligations under the Lease.

3. In the event that under Condition 14 of Article IV of the Declaration and Condition 13 of Article IV of the Acknowledgment, the Town Council requires remedial action to be taken, Tenant agrees that it shall be responsible at its sole cost and expense to take such remedial action.
4. Tenant agrees to reimburse Landlord for the college scholarship fund which the Landlord "offered" and the Town accepted under Condition 16 of Article IV of the Declaration. However, Landlord agrees that the amount of money placed in the fund and the number and amount of said scholarships shall be mutually agreed upon between Landlord and Tenant.
5. Landlord agrees as part of Landlord's Improvements to install the twenty foot high hedge along the north side of the Building as required under Condition 17 of Article IV of the Declaration, and Condition 14 of Article IV of the Acknowledgment, however, Tenant agrees that it shall be Tenant's responsibility to maintain said hedge at a height of twenty feet during the term of its Lease as part of Tenant's maintenance responsibilities under the terms of the Lease.

The Neiman Marcus Groups, Inc.  
September 3, 1998  
Page three

6. Landlord agrees that so long as the Lease is in full force and effect, Landlord will not consent to any amendment to the Declaration without Tenant's prior consent which shall not be unreasonably withheld or delayed.
7. In the event the Tenant or Landlord fail to comply with the terms and conditions of this Letter Agreement and the attached Acknowledgment, then such default shall be considered a default under the terms of the Lease Agreement with Landlord and Tenant having any and all remedies available under the Lease.
8. The effective date of this Letter Agreement shall be the date upon which Landlord and Tenant fully execute this Letter Agreement. Except as modified above, all terms and conditions of the Lease are hereby incorporated by reference and remain in full force and effect.

Kindly acknowledge your agreement and acceptance to the foregoing Letter Agreement as an amendment to the Lease by dating, signing and returning the enclosed four (4) copies of this Letter Agreement to the attention of the undersigned.

151 WORTH AVENUE PARTNERSHIP  
LTD., A Florida limited partnership  
By: North Worth, LLC, a Florida LLC,  
its general partner

By:   
Murray H. Goodman,  
sole member

The Neiman Marcus Group, Inc.  
September 3, 1998  
Page four

Accepted and agreed to this 2<sup>nd</sup> day of November, 1998

THE NEIMAN MARCUS GROUP, INC.

By: 

Name/Title: ROBERT A. SMITH  
PRESIDENT & CEO