

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, DC 20549

FORM 8-K

**CURRENT REPORT
Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): September 25, 2020

THE HOWARD HUGHES CORPORATION

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

001-34856
(Commission File Number)

36-4673192
(I.R.S. Employer
Identification No.)

**One Galleria Tower
13355 Noel Road, 22nd Floor
Dallas, Texas 75240**
(Address of principal executive offices)

Registrant's telephone number, including area code: **(214) 741-7744**

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

Title of each class:	Trading Symbol(s)	Name of each exchange on which registered:
Common stock, \$0.01 par value per share	HHC	New York Stock Exchange

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

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 13(a) of the Exchange Act.

Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

Separation and Release Agreement with Former Chief Executive Officer

As previously disclosed, on September 17, 2020, Paul Layne retired as Chief Executive Officer of The Howard Hughes Corporation (the “Company”) and simultaneously agreed to step down from the Company’s Board of Directors. Pursuant to a Separation and Release Agreement entered into on September 25, 2020, attached hereto as Exhibit 10.1, Mr. Layne and the Company mutually agreed to treat Mr. Layne’s departure as a termination without “cause” effective as of September 17, 2020 under Mr. Layne’s employment agreement with the Company, but, in lieu of the 60-day notice period provided thereunder, the Company will continue to pay Mr. Layne his base salary and permit Mr. Layne to continue participating in the Company’s employee benefit plans through November 16, 2020 (and credit Mr. Layne through such date for purposes of determining the prorated target bonus included in his severance package). Accordingly, subject to his non-revocation of the Separation and Release Agreement, Mr. Layne will be entitled to receive the separation payments and benefits pursuant to a termination without “cause” under his employment agreement (with credit through November 16, 2020 for purposes of calculating the prorated target bonus provided therein as described above), as described under “Employment Agreements with the NEOs—Paul Layne—Severance and Change in Control Benefits—Termination without Cause or for Good Reason” in the Company’s [definitive proxy statement filed with the SEC on April 3, 2020](#), which description is incorporated by reference as though fully set forth herein.

The foregoing summary of the Separation and Release Agreement does not purport to be complete and is qualified in its entirety by reference to the full text of the Separation and Release Agreement attached hereto as Exhibit 10.1 and incorporated herein by reference.

Item 9.01 Financial Statements and Exhibits

(d) Exhibits

Exhibit Number	Description
<u>10.1</u>	<u>Separation and Release Agreement, by and between Paul Layne and The Howard Hughes Corporation.</u>
104	Cover Page Interactive Data File. The cover page XBRL tags are embedded within the inline XBRL document (contained in Exhibit 101)

SIGNATURE

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

Dated: September 30, 2020

THE HOWARD HUGHES CORPORATION

By: /s/ Peter F. Riley

Peter F. Riley

Senior Executive Vice President, Secretary and General Counsel

SEPARATION AND RELEASE AGREEMENT

This Separation and Release Agreement (hereinafter “*Release*”) is entered into among Paul H. Layne (hereinafter “*Executive*”) and The Howard Hughes Corporation, a Delaware corporation (the “*Company*”).

The parties previously entered into an employment agreement dated October 21, 2019 (the “*Employment Agreement*”), pursuant to which Executive is entitled to certain payments and benefits upon termination of employment subject to the execution and nonrevocation of this Release. Executive has retired from his employment, which the Executive and the Company mutually agree shall be treated as a termination without Cause pursuant to Sections 3(d) and 4(a) of the Employment Agreement. Capitalized terms used but not defined in this Release shall have the meanings set forth in the Employment Agreement.

NOW THEREFORE, in consideration of certain payments and benefits under the Employment Agreement, Executive and the Company agree as follows:

1. **Waiver of Notice Period.** Notwithstanding Section 3(d) of the Employment Agreement, in exchange for the Company’s agreements in paragraph 2 of this Release, Executive hereby waives the sixty (60) day notice period described therein and agrees that his termination date shall be September 17, 2020 (the “*Termination Date*”).

2. **Continuation of Salary and Benefits.** Notwithstanding the fact that Executive’s date of termination of employment with the Company is on the Termination Date, the Company acknowledges and agrees that, through and including November 16, 2020, the Company shall continue to pay or provide to Executive (i) the Annual Base Salary, paid in accordance with the Company’s normal payroll practices, and (ii) continued participation in the Company’s health, medical, and dental insurance plans that Executive was participating in immediately prior to the Termination Date in accordance with their terms: provided, however, that if such continuation of coverage is not allowed under the terms of the applicable plan or by the applicable plan provider, or to the extent necessary to comply with the nondiscrimination requirements of the Patient Protection and Affordable Care Act of 2010, as amended, and/or the Health Care and Education Reconciliation Act of 2010, as amended, the Company may instead provide Executive with a lump sum payment (no later than March 15, 2021) equal to the aggregate COBRA premiums that Executive pays to continue his participation for himself and his dependents in such plans through November 16, 2020.

3. **Severance Pay and Benefits.** The Company and Executive acknowledge and agree that the following constitutes the severance pay and benefits to which Executive is entitled under Section 4(a) of the Employment Agreement (in addition to the Accrued Benefits and the payments described in paragraph 2 of this Release), subject to Executive’s timely execution, delivery, and nonrevocation of this Release:

<i>Employment Agreement Section</i>	<i>Payment or Benefit</i>	<i>Amount or Description</i>	<i>Payment or Benefit Date</i>
4(a)(ii)	2020 Target Bonus Payment	\$880,000.00	On or before November 16, 2020
4(a)(iii)	Cash Severance	\$1,750,000.00	On or before November 16, 2020
4(a)(iv)	Continued Equity Vesting	Time-based equity awards vest in full; performance-based equity awards (copies of which shall be provided by the Company within 10 days following Executive's execution of this Release) eligible to vest in accordance with their terms	Time-based awards vest as of the Termination Date; potential vesting dates for performance-based awards governed by Section 4(a)(iv) of the Employment Agreement and applicable award documentation

In addition, the Company and Executive acknowledge and agree that any Company stock ownership requirements applicable to Executive shall cease to apply. For the avoidance of doubt, there shall be no restrictions after the Termination Date on Executive's ability to pledge Company stock held by Executive (or sell such stock), and the Company shall reasonably cooperate with Executive to timely respond to any requests from third parties to confirm the foregoing.

4. **Withholding.** The Company shall withhold from any amounts paid or provided to Executive under this Release such federal, state, local, or non-U.S. taxes as shall be required to be withheld pursuant to any applicable law or regulation.

5. **Releases.** Executive expressly waives and releases the Company, its affiliates and related entities, parent corporations and subsidiaries, and all current and former directors, administrators, supervisors, managers, agents, officers, partners, stockholders, attorneys, insurers and employees of the Company and its affiliates, related entities, parent corporations and subsidiaries, and their successors and assigns (the "*Company Released Entities*"), from any and all claims, actions and causes of action, at law or in equity, known or unknown, including, without limitation, those directly or indirectly relating to or connected with Executive's employment with the Company or termination of such employment, including but not limited to any and all claims under the Texas Commission on Human Rights Act, the Texas Payday Act, the Employee Retirement Income Security Act of 1974, Title VII of the Civil Rights Act of 1964, the Age Discrimination in Employment Act, the Americans with Disabilities Act, as such Acts have been amended, and all other forms of employment discrimination whether under federal, state or local statute or ordinance, wrongful termination, retaliatory discharge, breach of express, implied, or oral contract, interference with contractual relations, defamation, intentional infliction of emotional distress and any other tort or contract claim under common law of any state or for attorneys' fees, based on any act, transaction, circumstance or event arising up to and including the date of Executive's execution of this Release; provided, however, that (i) nothing herein shall limit or impede Executive's right to file or pursue an administrative charge with, or participate in, any investigation before the Equal Employment Opportunity Commission, or any similar local, state or federal agency, or to file a claim for unemployment compensation benefits, and/or any causes of action which by law Executive may not legally waive, (ii) Executive does not release the Company Released Entities from any rights and/or claims (a) Executive may have that arise after the date Executive signs this Release, (b) that by law cannot be waived by private agreement, (c) to enforce the Employment Agreement in accordance with its terms (including the severance provisions set forth in the Employment Agreement), subject to the terms of this Release, (d) with respect to indemnification, advancement of expenses, reimbursement, or directors and officers insurance liability coverage arising under the charter, bylaws, other organizational documents, and insurance policies of, or maintained by, the Company and its subsidiaries and other affiliates, or (e) to enforce this Release. Executive agrees, however, that if Executive, or anyone acting on Executive's behalf, brings any action concerning or related to any cause of action or liability released in this Release, Executive waives any right to, and will not accept, any payments, monies, damages, or other relief awarded in connection therewith. Notwithstanding anything to the contrary in this Release, Executive shall not be prohibited from: (i) filing and, as provided for under Section 21F of the Securities Exchange Act of 1934, 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 Securities Exchange Act of 1934; (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. The Company expressly waives and releases Executive from any and all claims, actions and causes of action, at law or in equity, known or unknown, arising prior to the Effective Date; provided, however, the Company does not release Executive from any of the following rights and/or claims: (i) any rights and/or claims the Company may have that arise after the date Executive signs this Release; (ii) any rights and/or claims that by law cannot be waived by private agreement; (iii) any rights and/or claims which are based upon any acts or omissions of Executive that involve fraud or arising out of acts that constitute a violation of criminal laws; (iv) any rights and/or claims to enforce the Employment Agreement in accordance with its terms (including the restrictive covenants set forth in the Employment Agreement), subject to the terms of this Release; or (v) any rights and/or claims to enforce this Release. Notwithstanding the foregoing or any other term or provision hereof, in no event does Executive waive any claims, causes of action, rights, or privileges arising under Federal, state or other securities, corporate, or other laws by virtue of his status as a stockholder, warrant holder or other security holder of the Company.

6. **Effectiveness; Revocation.** Executive acknowledges: (a) that Executive has been advised in writing hereby to consult with an attorney before signing this Release, and (b) that Executive has had at least twenty-one (21) days after receipt of this information and Release to consider whether to accept or reject this Release. Executive understands that Executive may sign this Release prior to the end of such twenty-one (21) day period, but is not required to do so. In addition, Executive has seven (7) days after Executive signs this Release to revoke it. Such revocation must be in writing and delivered either by hand or mailed and postmarked within the seven (7) day revocation period. If sent by mail, it is requested that it be sent by certified mail, return receipt requested to the Company, in care of the office of the General Counsel. If Executive revokes this Release as provided herein, it shall be null and void. If Executive does not revoke this Release within seven (7) days after signing it, this Release shall become enforceable and effective on the eighth (8th) day after the Executive signs this Release (the "*Effective Date*").

7. **No Admission.** Executive and the Company agree that neither this Release nor the performance hereunder constitutes an admission by the Company or any of its affiliates of any violation of any federal, state or local law, regulation, or common law, or any breach of any contract or any other wrongdoing of any type.

8. **Governing Law.** This Release shall be construed and enforced pursuant to the laws of the State of Delaware as to substance and procedure, including all questions of conflicts of laws.

9. **Entire Agreement.** This Release constitutes the entire agreement between the parties concerning the subject matter hereof and supersedes all prior and contemporaneous agreements, if any, between the parties relating to the subject matter thereof; provided that this Release does not apply to: (a) any claims under employee benefit plans subject to the Employee Retirement Income Security Act of 1974 in accordance with the terms of the applicable employee benefit plan, or any option agreement or other agreement pursuant to which Executive may exercise rights after termination of employment to acquire stock or other equity of the Company, (b) any claim under or based on a breach of this Release or Sections 4 or 8 of the Employment Agreement after the date that Executive signs this Release; (c) rights or claims that may arise under the Age Discrimination in Employment Act or otherwise after the date that Executive signs this Release; or (d) any right to indemnification or directors and officers liability insurance coverage to which Executive is otherwise entitled in accordance with the Employment Agreement. The captions to each paragraph of this Release are inserted for convenience only, are not part of the provisions hereof and shall have no force or effect.

10. **Certain Specific Acknowledgments.** Executive expressly acknowledges and agrees that, as of and following the date of Executive's termination of employment with the Company, Executive has no further right to, and the Company shall not pay or provide to Executive, any Company-provided perquisites or fringe benefits (except as expressly provided in paragraph 2 of this Release, or any continuation of benefits required under the Consolidated Omnibus Reconciliation Act of 1985 (commonly known as "COBRA") at Executive's sole cost and expense). Executive shall have until October 17, 2020 to collect his personal effects (at his expense) from Company-owned or Company-leased premises in The Woodlands, Texas or Dallas, Texas, (after which period Executive acknowledges and agrees that the Company may dispose of any such personal effects at its discretion). Executive shall provide to the Company a list of Executive's property and personal effects, and the Company and Executive agree to review such list in good faith following the execution of this Release and to use reasonable best efforts to mutually agree on the final contents of such list following a review of the items in such Company-owned or Company-leased premises; provided, however, that Executive expressly acknowledges and agrees that no proprietary or confidential information of the Company or its Affiliates (as described in Section 8(b) of the Employment Agreement) shall constitute Executive's personal property, and that Executive shall return all such proprietary or confidential information to the Company (or, in the case of such information stored on Executive's electronic devices, delete such information). The Company expressly acknowledges and agrees that Executive shall be entitled to retain the Company owned electronic devices Executive currently uses, subject to removal of any proprietary and confidential information of the Company or its Affiliates (as described in Section 8(b) of the Employment Agreement) from such devices. As of the Termination Date, Executive hereby resigns from his position as a member of the Board of Directors of the Company, and from all fiduciary positions (including as trustee) and from all other offices and positions he holds with the Company and any of its affiliates.

11. EXECUTIVE ACKNOWLEDGES THAT EXECUTIVE HAS FULLY READ AND FULLY UNDERSTANDS THIS RELEASE; AND THAT EXECUTIVE ENTERED INTO IT FREELY AND VOLUNTARILY AND WITHOUT COERCION OR PROMISES NOT CONTAINED IN THIS RELEASE.

[Signature Page Follows]

EXECUTIVE

/s/ Paul H. Layne

Paul H. Layne

THE HOWARD HUGHES CORPORATION

By: /s/ David O'Reilly

Name David O'Reilly

Title Interim CEO; President and CFO

[Signature Page to Separation and Release Agreement]
