

CITY OF SAN DIEGO

CONSENT TO ASSIGNMENT OF PERCENTAGE LEASE AGREEMENT

RECITALS

- A. The City of San Diego [City] is Lessor and the Hilton San Diego Corporation [Hilton] is the Lessee under that certain Percentage Lease Agreement dated September 12, 2000 and filed in the Office of the City Clerk as Document No. RR-293815 [Master Lease].
- B. The term of the Master Lease is fifty (50) years commencing on the first day of January 1996.
- C. Hilton has entered into an Agreement of Purchase and Sale dated for reference purposes October 31, 2005 [Purchase Agreement] with LHO Mission Bay Rosie Hotel, L.P. [LaSalle]. Pursuant to the Purchase Agreement, Hilton [Assignor] desires to assign and LaSalle [Assignee] desires to accept all the right, title and interest of Assignor under the Master Lease. Assignor and Assignee have executed, in conjunction with the closing under the Purchase Agreement [Closing], an Assignment and Assumption of Ground Lease [Assignment] which is attached to this Consent to Assignment of Percentage Lease Agreement [Consent] and incorporated into this Consent by this reference.
- D. LaSalle has entered into a lease, dated as of October 31, 2005 [Operating Lease], for the premises covered by the Master Lease with LHO Mission Bay Rosie Lessee, Inc. [Operating Lessee], which is affiliated with LaSalle; and Sublessee has entered into a management agreement, dated as of October 31, 2005 [Management Agreement], with Mission Bay Management LLC [Manager].

Now therefore, City, Assignor and Assignee agree as follows:

- 1. Consent and Acknowledgment. City consents to the Assignment and approves LaSalle as the lessee under the Master Lease. City acknowledges (a) the Operating Lease and Operating Lessee under the Operating Lease, and (b) the Management Agreement and Manager under the Management Agreement.
- 2. Assumption. Effective as of the Closing, Assignee shall assume all rights and obligations of Lessee under the Master Lease and shall perform all covenants, conditions and provisions of the Master Lease to be performed by Lessee on and after the Closing.
- 3. Consideration for Assignment. Concurrently with the Closing, Assignor shall pay to City one percent (1%) of the gross amount paid to Assignor by Assignee for the leasehold in connection with the Purchase Agreement pursuant to Section 7.21 Additional Consideration to CITY of the Master Lease.

4. City Audit. Pursuant to Section 3.5 Inspection of Records of the Master Lease, the City's Office of the Auditor and Comptroller will conduct a close-out audit upon the assignment of the Master Lease to determine the exact amounts of rent owed to City by Assignor through the Closing. The Assignor shall not be relieved of any obligation to pay any sums owed to City through the Closing or any other sums payable under the Master Lease subsequently disclosed by a verification of the accuracy of the escrow statement and distribution of proceeds.
5. Insurance. Assignee shall maintain a policy of commercial general liability insurance providing coverage required under the Master Lease in the amount of not less than five million dollars (\$5,000,000) combined single limit liability naming the City of San Diego, its elected officials, officers, representatives, agents, and employees as additionally insured by a separate endorsement.
6. No Modification of Lease. Except as provided above with respect to the release of the Assignor, nothing contained in this Consent shall be deemed or construed to modify, waive, impair, or affect any of the covenants, agreements, terms, provisions, or conditions contained in the Master Lease. In the event of a conflict between the provisions of this Consent and the Master Lease, the Purchase Agreement, the Operating Lease, or the Management Agreement, the terms of the Master Lease shall prevail. The acceptance of rents by the City from Assignee or anyone else liable under the Master Lease will not be deemed a waiver by the City of any provisions of the Master Lease.
7. Subsequent Assignments. This Consent does not constitute a consent to any subsequent subletting or assignment and does not relieve Assignee or any person claiming under or through Assignee of the obligation to obtain the consent of the City under Section 4.2 Assignment and Subletting of the Master Lease to any future assignment or sublease.
8. Default. If a default by Assignee under the Master Lease occurs, the City may proceed directly against Assignee, any guarantors, or anyone else liable under the Master Lease without first exhausting the City's remedies against any other person or entity liable under the Master Lease to the City.
9. Brokerage Commission. Assignor and Assignee agree that the City will not be liable for any brokerage commission or finders fee in connection with the consummation of the Assignment or this Consent. Assignor and Assignee will protect, indemnify and hold the City harmless from any brokerage commission or finder's fee in connection with the consummation of the Assignment or this Consent, and from any cost or expense (including attorney fees) incurred by the City in resisting any claim for any brokerage commission or finders fee. The provisions of this Section 9 shall survive the expiration or earlier termination of both the Assignment and this Consent.

10. Notice. Any notice required or permitted to be given shall be done so in accordance with Section 7.1 Notices of the Master Lease. Effective as of the Closing, notices to the Lessee shall be addressed as follows:

LHO Mission Bay Rosie Hotel L.P.
c/o LaSalle Hotel Properties
3 Bethesda Metro Center
Suite 1200
Bethesda, Maryland 20814
Attn: Chief Operating Officer

11. Controlling Law. The terms and provisions of this Consent will be construed in accordance with and will be governed by the laws of the State of California.
12. Captions. Captions to the sections in this Consent are included for convenience only and do not modify any of the terms of this Consent.
13. Entire Agreement. This Consent constitutes the final, complete, and exclusive statement between the parties to this Consent pertaining to the terms of the City's Consent to the Assignment, supersedes all prior and contemporaneous understandings or agreements of the parties, and is binding on and inures to the benefit of their respective heirs, representatives, successors or assigns. No party has been induced to enter into this Consent by, nor is any party relying on, any representation or warranty outside those expressly set forth in this Consent. Any agreement made after the date of this Consent is ineffective to modify, waive, or terminate this Consent, in whole or in part, unless that agreement is in writing, is signed by the parties to this Consent, and specifically states that it modifies this Consent.
14. Attorney Fees. If any party commences litigation against any other party for the specific performance of this Consent, for damages for the breach of the terms of this Consent, or otherwise for enforcement of any remedy pursuant to this Consent, the prevailing party shall be entitled to recover from the applicable party all costs and reasonable attorney fees as have been incurred.
15. Counterparts. This Consent may be executed by each party on a separate signature page, and when the executed signature pages are combined, shall constitute one single instrument.

This Consent is executed by City acting by and through the City Manager and by Lessee/Assignor and Assignee acting by and through their lawfully authorized officers. This Consent is effective upon the date signed by the City Manager and approved by the City Attorney.

LESSOR:

THE CITY OF SAN DIEGO
For The City Manager

Dated: 12/02/05

By: [Signature]
Jack D. Farris, Acting Director
Real Estate Assets Department

LESSEE/ASSIGNOR:

HILTON SAN DIEGO CORPORATION

Dated: December 1, 2005

APPROVED AS TO FORM
BY: <u>[Signature]</u> , <u>Att. Legal</u>
Date: <u>12/1/05</u>

By: [Signature]
Name: [Signature]
Title: SVP

ASSIGNEE:

LHO MISSION BAY ROSIE HOTEL,
L.P., a Delaware partnership

Dated: _____

By: LHO Mission Bay Rosie Hotel, L.L.C.,
a Delaware limited liability company,
its general partner

By: LaSalle Hotel Operating Partnership,
L.P., a Delaware limited
partnership, its managing member

By: LaSalle Hotel Properties, a
Maryland real estate investment
trust, its general partner

By: _____

Name: _____

Title: _____

This Consent is executed by City acting by and through the City Manager and by Lessee/Assignor and Assignee acting by and through their lawfully authorized officers. This Consent is effective upon the date signed by the City Manager and approved by the City Attorney.

LESSOR:

THE CITY OF SAN DIEGO

For The City Manager

Dated: 12/02/15

By: Jack D. Farris
Jack D. Farris, Acting Director
Real Estate Assets Department

LESSEE/ASSIGNOR:

HILTON SAN DIEGO CORPORATION

Dated: _____

By: _____

Name: _____

Title: _____

ASSIGNEE:

LHO MISSION BAY ROSIE HOTEL,
L.P., a Delaware partnership

Dated: December 1, 2005

By: LHO Mission Bay Rosie Hotel, L.L.C.,
a Delaware limited liability company,
its general partner

By: LaSalle Hotel Operating Partnership,
L.P., a Delaware limited
partnership, its managing member

By: LaSalle Hotel Properties, a
Maryland real estate investment
trust, its general partner

By: Robert K. Hogen

Name: Robert K. Hogen

Title: Vice-President

APPROVED AS TO FORM AND LEGALITY THIS 2nd day of
December, 2005.

MICHAEL J. AGUIRRE, City Attorney

By Elisa A. Cusato
Elisa A. Cusato
Deputy City Attorney

ASSIGNMENT AND ASSUMPTION OF GROUND LEASE

RECORDING REQUESTED BY AND WHEN RECORDED RETURN TO:

Hagan & Vidovic LLP
200 East Randolph Drive
Chicago, Illinois 60601
Attention: Dean Hagan, Esq.

(Space Above for Recorder's Use Only)

ASSIGNMENT AND ASSUMPTION OF GROUND LEASE

THIS ASSIGNMENT AND ASSUMPTION OF GROUND LEASE ("**Assignment**") is made as of the 1st day of December, 2005 by **HILTON SAN DIEGO CORPORATION**, a California corporation ("**Assignor**"), whose address is c/o Hilton Hotels Corporation, World Headquarters, 9336 Civic Center Drive, Beverly Hills, California 90210, Attention: General Counsel, to **LHO MISSION BAY ROSIE HOTEL, L.P.**, a Delaware limited partnership, ("**Assignee**"), whose address is c/o LaSalle Hotel Properties, 3 Bethesda Metro Center, Suite 1200, Bethesda, Maryland 20814, Attention: Chief Operating Officer.

RECITALS

- A. Assignor as "Seller" and Assignee as "Purchaser" have entered into that certain Agreement of Purchase and Sale (the "**Purchase Agreement**") dated as of October 31, 2005, pursuant to the terms of which Assignor shall sell to Assignee and Assignee shall purchase from Assignor all of Assignor's right, title and interest under the Ground Lease (as defined below), including the hotel (the "**Hotel**") commonly known as the "Hilton San Diego Resort" located at 1775 East Mission Bay Road, San Diego, California 92109, as more particularly described in Exhibit A attached hereto.
- B. Pursuant to the terms of the Purchase Agreement, Assignor desires to assign to Assignee, and Assignee desires to accept such assignment from Assignor, all the right, title and interest of Assignor in and to that certain City of San Diego Percentage Lease executed July 27, 2000 by and between the City of San Diego, a municipal corporation, and Hilton San Diego Corporation and filed in the Office of the City Clerk, San Diego, California on September 12, 2000 as Document No. 293815 (the "**Ground Lease**").

AGREEMENT

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Assignor and Assignee hereby agree as follows:

1. **Assignment and Assumption.** Effective as of the Close of Escrow, as that term is defined in the Purchase Agreement, (the "**Effective Date**"), Assignor hereby grants, assigns, transfers and conveys to Assignee, and Assignee hereby accepts from Assignor such grant, assignment, transfer and conveyance, all right, title and interest of Assignor in and to the Ground Lease. Assignee hereby assumes and agrees to perform and to be bound by all of the terms, covenants, conditions and obligations of Assignor under the Ground Lease which arise on or after the Effective Date (the "**Post- Effective Date Obligations**").

2. **Assignee Indemnity.** Assignee hereby agrees to protect, defend, indemnify and save and hold harmless Assignor from and against the Post Effective Date Obligations and any and all liability, loss, costs, damage or expense (including attorneys' fees, charges and expenses) which Assignor may incur in connection with the Ground Lease arising from events occurring on or after the Effective Date, and from any and all claims and demands whatsoever which may be asserted against Assignor by reason of any alleged obligation or undertaking on Assignee's part or failure of Assignee to perform or discharge any of the terms, covenants or agreements contained in the Ground Lease, which claims or demands arise from events occurring on or after the Effective Date.
3. **Assignor Indemnity.** Assignor hereby agrees to protect, defend, indemnify and save and hold harmless Assignee from and against any and all liability, loss, cost, damage or expense (including attorneys' fees, charges and expenses) which Assignee may incur under the Ground Lease and from and against any and all claims and demands whatsoever which may be asserted against Assignee, by reason of any alleged obligation or undertaking on Assignor's part or failure of Assignor to perform or discharge any of the terms, covenants or agreements contained in any of the Ground Lease which claims or demands arose from events occurring prior to the Effective Date.
4. **Further Assurances.** Each party agrees to execute such other and further instruments and documents as may be necessary or proper in order to consummate the transaction contemplated by this Assignment.
5. **Successors and Assigns.** This Assignment shall be binding upon and inure to the benefit of the respective successors and assigns of Assignor and Assignee.
6. **Attorneys' Fees and Costs.** If either party to this Assignment brings any action or suit against the other party to this Assignment by reason of any breach of any covenant, condition, agreement or provision on the part of the other party set forth in this Assignment, the prevailing party shall be entitled to recover from the other party all costs and expenses of the action or suit, including reasonable attorneys' fees, charges and expenses, in addition to any other relief to which it may be entitled.
7. **Governing Law.** This Assignment shall be governed by and construed in accordance with the laws of the State of California
8. **Conflict with Purchase Agreement.** This Assignment is intended to implement the terms and conditions of the Purchase Agreement. If any of the provisions hereof are in direct conflict with the provisions of the Purchase Agreement, the Purchase Agreement shall control.
9. **Counterparts.** This Assignment may be executed in several counterparts and all such executed counterparts shall constitute one Assignment, binding on all of the parties hereto, notwithstanding that all of the parties hereto are not signatories to the original or to the same counterpart.

[Signature Page Follows]

IN WITNESS WHEREOF, Assignor and Assignee have executed this Assignment as of the day and year first above written.

ASSIGNOR

HILTON SAN DIEGO CORPORATION,
a California corporation

APPROVED AS TO FORM

BY: Stephen P. Crowley, HHC Legal

Date: 12/1/05

By: [Signature]

Name: ted m. madden

Title: SVP

ASSIGNEE:

LHO MISSION BAY ROSIE HOTEL, L.P.,
a Delaware partnership

By: LHO Mission Bay Rosie Hotel, L.L.C.,
a Delaware limited liability company,
its General Partner

By: LaSalle Hotel Operating Partnership, L.P.,
a Delaware limited partnership
its managing member

By: LaSalle Hotel Properties,
a Maryland real estate investment trust
its General Partner

By: _____

Name: _____

Title: _____

IN WITNESS WHEREOF, Assignor and Assignee have executed this Assignment as of the day and year first above written.

ASSIGNOR

HILTON SAN DIEGO CORPORATION,
a California corporation

By: _____
Name: _____
Title: _____

ASSIGNEE:

LHO MISSION BAY ROSIE HOTEL, L.P.,
a Delaware partnership

By: LHO Mission Bay Rosie Hotel, L.L.C.,
a Delaware limited liability company,
its General Partner

By: LaSalle Hotel Operating Partnership, L.P.,
a Delaware limited partnership
its managing member

By: LaSalle Hotel Properties,
a Maryland real estate investment trust
Its General Partner

By: Robert K. Haggan
Name: Robert K. Haggan
Title: Vice-President

Exhibit A to Assignment and Assumption of Ground Lease

Legal Description

All that certain real property situated in the County of San Diego, State of California, described as follows:

Parcel 1

That portion of the tidelands and submerged or filled lands of Mission Bay – formerly False Bay – and a portion of the Pueblo Lands of San Diego, according to Map thereof made by James Pascoe in 1870, a copy of which was filed in the Office of the County Recorder of San Diego County, November 14, 1921 and is known as Miscellaneous Map No. 36, all being in the City of San Diego, County of San Diego, State of California, described as a whole as follows:

Beginning at the Southeast corner of Lot 24 of Block 10 in the Resubdivision of Blocks 7, 8, 10 and a portion of Block 9 and Lot A of Inspiration Heights, according to Map thereof No. 1700, filed in the Office of the County Recorder of San Diego County;

Thence along the Southerly line of said lot South 89° 55' 56" West (record North 89° 59' West) 25 feet to a point of tangent curve in the boundary of said lot;

Thence South 0° 04' 04" East 2 feet to a line which is parallel with and 2 feet Southerly at right angles from the Southerly line of said Block 10;

Thence along said parallel line North 89° 55' 56" East 249.70 feet;

Thence North 5° 30' 02" West 104.06 feet to the United States Coast and Geodetic Survey, Triangulation Station "Old Town" (the Lambert Grid Co-ordinates California Zone 6 for said Station "Old Town" are X equals 1,712,415.69 and Y equals 213,820.33), said Station "Old Town" being the point of origin for the San Diego City Engineer's Mission Bay Park Co-ordinate System;

Thence North 27° 48' 28" West 13,663.23 feet to the United States Coast and Geodetic Survey Triangulation Station "Morena" the Lambert Grid Co-ordinates, California Zone 6 for said Station "Morena" are X equals 1,706,149.86 and Y equals 225,961.33, the Mission Bay Park Co-ordinates for said Station "Morena" being North 12,085.37 and West 6373.96;

Thence South 31°17'52" West, 1517.69 feet to the POINT OF BEGINNING, having NAD83 Lambert Zone 6 Coordinates of North 1865109.573 and East 6266767.295; Thence South 12°43'53" West, 316.00 feet to the beginning of a curve, concave Easterly, having a radius of 2465.00 feet, a radial line bears North 77°16'07" West; Thence Southerly along the arc of said curve 189.34 feet through a central angle of 4°24'04" to a point on said curve, to which a radial line which bears North 81°40'11" West; Thence South 81°40'11" East 30.00 feet; Thence South 8°02'09" West 25.00 feet; Thence North 82°15'28" West 30.00 feet to a point on a curve, concave Easterly, having a radius of 2465.00 feet, to which a radial line bears North

82°15'28" West; Thence Southerly along the arc of said curve 449.33 feet through a central angle of 10°26'39", to which a radial line bears South 87°17'53" West;; Thence South 67°09'03" West 423.61 feet; Thence North 26°55'52" West 45.50 feet to a point on a curve, concave Easterly, having a radius of 19.00 feet, to which a radial line bears South 26°55'52" East; Thence Westerly, Northwesterly, Northerly, Northeasterly along the arc of said curve 59.69 feet through a central angle of 180°00'00", to a point on said curve, to which a radial line bears North 26°55'52" West; Thence North 26°55'52" West 132.80 feet; Thence North 23°05'58" West 40.40 feet; Thence North 9°31'58" West 52.70 feet; Thence North 1°54'02" East 57.30; Thence North 73°41'18" West 30.71 feet to the beginning of a curve, concave Easterly, having a radius of 167.00 feet, a radial line bears South 16°18'42" West; Thence Northwesterly and Northerly along the arc of said curve 249.08 feet through a central angle of 85°27'20", to a point hereinafter referred to as **POINT "A"**, to which a radial line bears North 78°13'58" West; Thence North 85°45'22" East 19.30 feet; Thence North 6°41'15" East 30.00 feet; Thence North 87°43'56" West 3.03 feet; Thence North 2°16'02" East 38.87 feet to a point hereinafter referred to as **POINT "B"**; Thence North 6°21'58" West 17.00 feet; Thence North 10°30'58" West 50.60 feet; Thence North 21°26'58" West 53.20 feet; Thence North 29°00'58" West 56.40 feet; Thence North 24°36'58" West 54.30 feet; Thence North 16°46'58" West 19.80 feet; Thence North 15°03'57" West 31.86 feet to the beginning of curve, concave Easterly, having a radius of 1525.13 feet, a radial line bears South 83°20'24" West; Thence Northerly along the arc of said curve 84.96 feet through a central angle of 3°11'30" to the beginning of a compound curve, concave Easterly, having a radius of 2142.16 feet, a radial line bears South 86°31'54" West; Thence Northerly along the arc of said curve 55.46 feet through a central angle of 1°29'01" to an intersection with a curve, concave Easterly, having a radius of 19.00 feet, a radial line to said intersection bears South 1°59'06" East; Thence Westerly, Northwesterly, Northerly, Northeasterly and Easterly along the arc of said curve 60.04 feet through a central angle of 181°01'00" to a point on curve, concave Easterly, having a radius of 2142.16 feet, a radial line to said point bears South 89°01'54" West; Thence Northerly along the arc of said curve 222.34 feet through a central angle of 5°56'48", to which a radial line bears North 85°01'18" West; Thence South 80°26'56" East 873.32 feet to the POINT OF BEGINNING.

EXCEPTING THEREFROM all gas, oil, minerals or water upon or beneath said land. Reserving an easement and right of way for slope rights in excavation or embankment over the Easterly 10.00 feet thereof.

Parcel 2 (Pier and Walkway)

The revocable permission to maintain a concrete walkway and portions of a pier serving Parcel No. 3, being a strip 13.00 feet wide lying 6.50 feet on each side of the following described line:

Commencing at POINT "B" as set out and established in Parcel No. 1 above; Thence North 6°21'58" West 12.00 feet to the POINT OF BEGINNING, NAD 83 Zone 6 Lambert Coordinates of said POINT OF BEGINNING being North 1864601.568 and East 6266002.588; Thence South 73°46'04" West 88.70 feet to the Mean High Tide Line of Mission Bay.

The side lines of said 13.00 foot strip to be extended or shortened to terminate as follows:

On the West at the mean high tide line and on the East, at the Westerly line of above said Parcel 1.

Parcel 3 (Docks)

A 155.00 foot wide strip of land Southwesterly of the Mean High Tide Line lying 77.50 feet on each side of the following described line:

BEGINNING at the POINT OF BEGINNING for aforesaid Parcel No. 2; Thence South 73°46'04" West, 252.00 feet.

On the East, the side lines of said 155.00 foot strip are to be extended or shortened to terminate at the Mean High Tide Line.

Parcel No. 4 (Boat Dock Building)

Being the revocable permission to maintain a boat dock building on the following described parcel.

BEGINNING at POINT "A" as set out and established in Parcel No. 1 above; Thence North 78°13'55" West 23.11 feet; Thence North 7°23'30" East 28.40 feet; Thence South 87°43'58" East 38.71 feet; Thence South 87°43'56" East 3.03 feet; Thence South 6°41'15" West 30.00 feet; Thence South 85°45'22" West 19.30 feet to the POINT OF BEGINNING

State of California. (

County of Los Angeles)

On December 1, 2005 before me,

Araceli P. Bautista

personally appeared

Ted Middleton

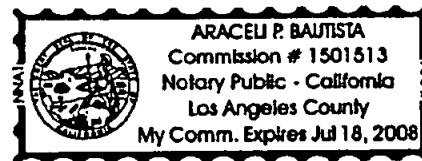
, personally known to

me (or proved to me on the basis of satisfactory evidence) to be the person(~~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~~ authorized capacity(~~ies~~), and that by his/~~her/their~~ signature(~~s~~) on the
instrument the person(~~s~~), or the entity upon behalf of which the persons(~~s~~) acted, executed the
instrument.

WITNESS my hand and official seal.



Signature of Notary

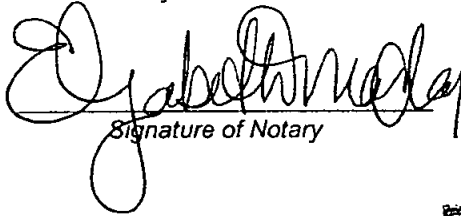


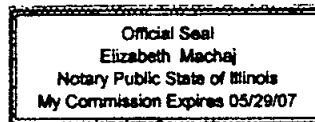
ILLINOIS
State of ~~California~~.

County of COOK)

On 12/1/05 before me,
Elizabeth Machaj personally appeared
Robert K. Hagan, personally known to
me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(es)
is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the
same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the
instrument the person(s), or the entity upon behalf of which the persons(s) acted, executed the
instrument.

WITNESS my hand and official seal.


Signature of Notary



FIRST AMENDMENT TO AGREEMENT OF PURCHASE AND SALE

THIS FIRST AMENDMENT TO AGREEMENT OF PURCHASE AND SALE ("First Amendment") is made as of November 30, 2005, by and between HILTON SAN DIEGO CORPORATION, a California corporation ("Seller"), and LHO MISSION BAY ROSIE HOTEL, L.P., a Delaware limited partnership ("Purchaser"), with reference to the following:

A. Pursuant to that certain Agreement of Purchase and Sale dated for reference purposes October 31, 2005, (the "Purchase Agreement"), Seller agreed to sell, and Purchaser agreed to purchase the Property located at 1775 East Mission Bay Drive, San Diego, California, as more particularly described in the Purchase Agreement. Initially capitalized terms used in this First Amendment and not defined shall have the meanings ascribed to them in the Purchase Agreement.

B. Seller and Purchaser desire to amend the Purchase Agreement on the terms and conditions set forth below.

FOR GOOD AND VALUABLE CONSIDERATION, the receipt and sufficiency of which are acknowledged, Seller and Purchaser agree as follows:

1. Sublease for Cluster Sales Office. Exhibit N (Sales Office Lease) and Section 5(g) of the Purchase Agreement are hereby deleted.

2. Closing Date. If the Ground Lessor's Consent is obtained on or before December 9, 2005, the Closing Date shall be December 14, 2005. If the Ground Lessor's Consent is obtained after December 9, 2005, the Closing Date shall be the date mutually agreed upon by Seller and Purchaser but in no event later than the date which is ten (10) days after the date the Ground Lessor's Consent is obtained.

3. Miscellaneous.

(i) Effect of Amendment. Except to the extent the Purchase Agreement is modified by this Amendment, the remaining terms and conditions of the Purchase Agreement shall remain unmodified and in full force and effect. In the event of a conflict between the terms and conditions of the Purchase Agreement and the terms and conditions of this Amendment, the terms and conditions of this Amendment shall prevail and control.

(ii) Entire Agreement. The Purchase Agreement, together with this Amendment, embodies the entire understanding between Seller and Purchaser with respect to its subject matter and can be changed only by an instrument in writing signed by the party being charged.

(iii) Warranty of Authority. The signatories hereto represent that they have full and complete authority to bind their respective parties to this Amendment and that no other

consent is necessary or required in order for the signatories to execute this Amendment on behalf of their respective parties.

(iv) Counterparts. This Amendment may be executed in one or more counterparts, each of which shall be deemed an original but all of which, taken together shall constitute one in the same Amendment.

(v) Applicable Law. This Amendment shall be governed and construed and enforced in accordance with the laws of the State of California without regard to conflicts of laws principles.

(vi) Time is of the Essence. Time is of the essence in each and every term, condition, obligation and provision hereof.

[Signature Page Follows]

IN WITNESS WHEREOF, Purchaser and Seller have executed this First Amendment as of the day and year first written above.

SELLER:

HILTON SAN DIEGO CORPORATION
a California corporation

By: _____
Name: _____
Title: _____

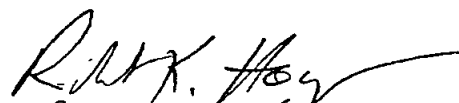
PURCHASER:

LHO MISSION BAY ROSIE HOTEL, L.P.,
a Delaware partnership

By: LHO Mission Bay Rosie Hotel, L.L.C.,
a Delaware limited liability company,
its General Partner

By: LaSalle Hotel Operating Partnership, L.P.,
a Delaware limited partnership
its managing member

By: LaSalle Hotel Properties,
a Maryland real estate investment trust
Its General Partner

By: 
Name: Robert K. Hagan
Title: Vice-President

IN WITNESS WHEREOF, Purchaser and Seller have executed this First Amendment as of the day and year first written above.

SELLER:

HILTON SAN DIEGO CORPORATION
a California corporation

By: [Signature]
Name: Ted M. [Signature]
Title: SVP

APPROVED AS TO FORM BY: <u>[Signature]</u> , HHC Legal Date: <u>12/1/05</u>
--

PURCHASER:

LHO MISSION BAY ROSIE HOTEL, L.P.,
a Delaware partnership

By: LHO Mission Bay Rosie Hotel, L.L.C.,
a Delaware limited liability company,
its General Partner

By: LaSalle Hotel Operating Partnership, L.P.,
a Delaware limited partnership
its managing member

By: LaSalle Hotel Properties,
a Maryland real estate investment trust
Its General Partner

By: _____
Name: _____
Title: _____

AGREED AND ACCEPTED:

COMMONWEALTH LAND TITLE COMPANY

By: *Mai Marsh* 12/1/05
Name: *Mai Ly Marsh*
Title: *Escrow Officer*