

CONSENT TO ASSIGNMENT

THIS CONSENT TO ASSIGNMENT (this "Consent") is provided by THE CITY OF SAN DIEGO, a California municipal corporation ("City"), to be effective upon execution by City and approval by the San Diego City Attorney (the "Effective Date"), as follows:

RECITALS

- A. City and LHO Mission Bay Rosie Hotel, L.P., a Delaware limited partnership ("Lessee"), entered into that certain City of San Diego Percentage Lease and License Agreement, dated as of July 27, 2018, on file with the Office of the San Diego City Clerk as Document No. R-311896, ("Lease"), relating to approximately 17.737 acres of land and 0.526 acres of water area of City-owned property leased and approximately 0.87 acres of land subject to a license, located at 1775 E. Mission Bay Drive, in the City of San Diego, County of San Diego, State of California, and more fully described in the Lease ("Premises").
- B. Prior to the Merger (as defined below), the ownership structure of Lessee is as follows: Lessee's general partner is LHO Mission Bay Rosie Hotel, L.L.C. ("General Partner"), whose managing member is LaSalle Hotel Operating Partnership, L.P. ("LaSalle OP"), whose general partner is LaSalle Hotel Properties ("LaSalle").
- C. LaSalle entered into a merger agreement with Pebblebrook Hotel Trust, a Maryland real estate investment trust ("Pebblebrook"), among other parties, pursuant to which Pebblebrook will acquire 100% of LaSalle's outstanding common shares (the "Merger"). Upon completion of the Merger, LaSalle will no longer exist, but its wholly-owned subsidiary, LaSalle OP, will survive as a subsidiary of Pebblebrook, and all of the direct and indirect subsidiary companies of LaSalle OP, including General Partner and Lessee, will survive and be directly or indirectly maintained and operated by Pebblebrook.
- D. Lessee acknowledges that Section 5.2 of the Lease requires City's prior written consent to assign the Lease or any direct or indirect interest in and to the Lease.

NOW, THEREFORE, for valuable consideration the receipt and sufficiency of which is acknowledged, City consents to the assignment as follows:

- 1. Subject to the terms and conditions herein, City hereby consents to the indirect assignment of the Lease as a result of the Merger. By giving this Consent, City is merely consenting to the indirect assignment of the Lease. All terms and conditions of the Lease shall control and supersede any inconsistent or contrary provisions in any merger agreement executed between Pebblebrook and LaSalle, except as otherwise approved herein; and
- 2. City's consent is conditioned upon the following: (a) Lessee shall continue to keep and perform all covenants, conditions, and provisions of the Lease; and (b) payment to City of two percent (2%) of the appraised value of the Premises as determined by a qualified professional independent real estate appraiser pursuant to Section 5.3 of the Lease. City acknowledges that it has received from Pebblebrook a payment of \$1,400,000, based on an agreed-to appraised value of the Premises of \$70,000,000, which payment to City satisfies the foregoing condition in this Paragraph 2(b).

3. City does not release, discharge or modify Lessee's obligations to City under the Lease. Lessee shall remain primarily obligated as the lessee under the Lease. As set forth in applicable law, Lessee's obligations under the Lease shall survive said Merger and shall continue through the termination dates of the Lease, as set forth therein. City does not waive or relinquish any rights under the Lease against Lessee.
4. This Consent does not constitute consent to any subsequent assignment of any interest in and to the Lease.
5. Lessee agrees to pay City any applicable processing and/or administrative fee(s) for processing this Consent.
6. City shall not be liable for any brokerage commission or finder's fee in connection with the consummation of the assignment. Further, Lessee agrees to protect, defend, indemnify, and hold City, its elected officials, officers, representatives, agents, and employees harmless from and against any claim for any brokerage commission or finder's fee related to the consummation of this Consent, and from and against any cost or expense (including without limitation attorney fees) incurred by City in resisting any claim for any such brokerage commission or finder's fee.

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IN WITNESS WHEREOF, this, Consent to Assignment is executed by City acting by and through its Mayor, or his designee.

THE CITY OF SAN DIEGO, a California municipal corporation

Date: 9/25/19

By: [Signature]
Cybele Thompson
Director, Real Estate Assets Department

ENVIRONMENTAL ANALYSIS SECTION ENVIRONMENTAL CLEARANCE:

The City of San Diego conducted an environmental review that determined the project would not have the potential for causing a significant effect on the environment pursuant to State CEQA Guidelines Section 15301 (Existing Facilities) which consists of the operation, repair, maintenance, permitting, leasing, licensing, or minor alteration of existing public or private structures or facilities involving negligible or no expansion of existing or former use. The exceptions listed in CEQA Section 15300.2 would not apply in that no cumulative impacts were identified; no significant effects on the environment were identified; the project is not adjacent to a scenic highway; no historical resources would be affected by the action; and the project was not identified on a list of hazardous waste sites pursuant to Section 65962.5 of the Government Code.

Date: 9/19/19

By: [Signature]
Alyssa Muto
Deputy Director, Planning Department

Approved as to form this 27th
day of September, 2019.

MARA W. ELLIOTT, City Attorney

BY: [Signature]
Name: Hilda R. Mendez
Title: Deputy City Attorney