

CITY OF SAN DIEGO CONSENT TO ASSIGNMENT

THIS CITY OF SAN DIEGO CONSENT TO ASSIGNMENT (Consent) is made by THE CITY OF SAN DIEGO, a California municipal corporation (CITY), Kencal Ownership LLC, a California Limited Liability Company (LESSEE/ ASSIGNOR), and CHSP MISSION BAY LLC, a Delaware limited liability company (ASSIGNEE), to be effective as of September 6, 2012 (Effective Date), as follows:

RECITALS

This Consent is made with regard to the following facts:

- A. CITY and LESSEE/ ASSIGNOR entered into that certain City of San Diego Lease Agreement, which was filed with the Office of the City Clerk on September 27, 2005, as Document No. RR-300863 (the "Lease"). The Lease pertains to that certain CITY-owned property in Mission Bay Park, consisting of approximately 9.730 acres of land and 9.119 acres of water area ("Premises").
- B. LESSEE/ASSIGNOR is assigning its interest in and to the Lease to ASSIGNEE, pursuant to that certain Assignment and Assumption of Ground Lease and Conveyance of Hotel Improvements ("Assignment of the Lease") for which LESSEE now seeks CITY's Consent. Assignment of the Lease is attached hereto as Exhibit "A." Pursuant to the Assignment of the Lease, ASSIGNEE has assumed all rights and obligations of LESSEE under the Lease.
- C. LESSEE/ASSIGNOR and ASSIGNEE acknowledge that the City's act of consenting to the Assignment of the Lease will not, except as expressly provide herein, relieve LESSEE/ASSIGNOR or ASSIGNEE from any requirements under the Lease, including but not limited to, rent adjustments.

NOW, THEREFORE, in consideration of the following terms and conditions, CITY agrees as follows:

1. ASSUMPTION: The City hereby consents to the Assignment of the Lease by LESSEE/ASSIGNOR to ASSIGNEE. Upon the effective date of the Assignment of the Lease to ASSIGNEE, (a) LESSEE/ASSIGNOR will be relieved and released from the payment of all rents and for the performance of all obligations of LESSEE/ASSIGNOR under the Lease arising on and after the effective date of the assignment of the Lease to ASSIGNEE and (b) ASSIGNEE will assume and agree for the benefit of CITY to be bound by, and to conform and comply with, every obligation of LESSEE/ASSIGNOR under the Lease. Further, LESSEE/ASSIGNOR agrees for the benefit of CITY that it shall remain liable for the payment of all rents and for the performance of all obligations of LESSEE/ASSIGNOR under the Lease arising prior to the effective date of the Assignment of the Lease to ASSIGNEE, including all the obligations

LESSEE/ASSIGNOR was responsible for prior to the execution of this Consent by CITY.

2. USE: The Premises shall be used solely and exclusively for the uses set forth in the Lease.
3. INDEMNIFICATION/HOLD HARMLESS: Upon the effective date of the Assignment of the Lease to ASSIGNEE, ASSIGNEE agrees to indemnify and hold CITY harmless as expressly provided in the Lease.
4. ADDITIONAL CONSIDERATION: In accordance with Section 5.3, of the Lease, LESSEE/ ASSIGNOR shall pay to the CITY two percent (2%) of the amount of Sixty Two Million Dollars (\$62,000,000.00), which is the gross amount to be paid by ASSIGNEE to LESSEE/ASSIGNOR in connection with the Assignment of the Lease. Two percent (2%) is equal One Million Two Hundred Forty Thousand Dollars (\$1,240,000.00) and is due to the CITY, in full, concurrently with the Assignment of the Lease between LESSEE/ASSIGNOR and ASSIGNEE.

The payment of the additional consideration shall be made payable to the City Treasurer and wired to:

Bank: Bank of America
Address: 100 W. 33rd Street
New York, NY 10001
Account Title: City of San Diego
ABA: 0260-0959-3
Account Number: 14506-08200
Bank Contact: Client Services (888) 841-8159

5. SUBSEQUENT ASSIGNMENTS; RECAPTURE: CITY approves CHSP TRS MISSION BAY LLC, a Delaware limited liability company and an affiliate of ASSIGNEE, as sublessee of the ASSIGNEE. ASSIGNEE shall submit a copy of the operating lease between ASSIGNEE and CHSP TRC MISSION BAY LLC within ninety (90) days of this Consent. This Consent does not constitute consent to any other subsequent subletting or assignment of the Lease and does not relieve ASSIGNEE or any persons claiming under or through ASSIGNEE of the obligation to obtain the prior written consent of CITY prior to subletting and/or assigning the Lease.
6. INSURANCE: Upon the effective date of the Assignment of the Lease to ASSIGNEE, ASSIGNEE will provide CITY with all Certificates of Insurance as required under the Lease. Such certificate(s) and binder(s) will name as additional insureds the CITY, its employees, officers, elected officials, its representatives and agents.
7. STRONG MAYOR: All references to "CITY Manager" in the Lease, if any, shall be deemed to refer to "Mayor." This provision became effective on January 1, 2006, and shall remain in effect for the duration of the time period which the CITY operates under

the mayor-council (commonly referred to as "strong mayor") form of governance pursuant to Article XV of the San Diego City Charter.

8. MASTER LEASE CONTROLS: To the extent that the Assignment of the Lease by and between LESSEE/ASSIGNOR and ASSIGNEE contradict, supersede, and/or attempt to preempt any term, obligation or right of CITY under the Lease, the Lease shall control with regard to the rights of CITY and obligations of LESSEE/ASSIGNOR and ASSIGNEE. CITY shall not be bound by any term or condition in the Assignment of Lease which in any way conflicts with CITY'S rights or would otherwise result in increasing CITY'S obligations or in decreasing LESSEE/ASSIGNOR's and ASSIGNEE's obligations under the Lease.
9. CONTROLLING LAW: The terms and conditions of this Consent will be construed in accordance with and will be governed by the laws of the State of California.
10. CAPTIONS: Captions in this Consent are included for convenience only and do not modify any of the terms of this Consent.
11. ENTIRE AGREEMENT: This Consent constitutes the final, complete, and exclusive statement between the parties pertaining to the terms of CITY'S consent. This Consent supersedes all prior and contemporaneous understandings or agreements of the parties, whether oral or written, 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 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 states that said agreement modifies this Consent.
12. WAIVER: Except as explicitly stated in this Consent, nothing contained in this Consent will be deemed or construed to modify, waive, impair, or affect any of the covenants, agreements, terms, provisions, or conditions contained in the Lease. In addition, the acceptance of rents by CITY from ASSIGNEE or anyone else liable under the Lease will not be deemed a waiver by CITY of any provisions of the Lease.
13. NOTICE: Any notice that may or must be given by any party under this Consent will be delivered (i) personally, (ii) by certified mail, return receipt requested, or (iii) by a nationally recognized overnight courier, addressed to the party to whom it is intended. Any notice given to CITY, LESSEE/ASSIGNOR, or ASSIGNEE shall be sent to the respective address set forth below, or such other address as the party may designate for service of notice by a notice given in accordance with the provisions of this section. A notice sent pursuant to the terms of this section shall be deemed delivered (a) when delivery is completed, if delivered personally, (b) three (3) business days after deposit into the United States mail, or (c) the day following deposit with a nationally recognized overnight courier if overnight delivery is requested by that courier.

Address for CITY:

City of San Diego
Real Estate Assets Department
1200 Third Avenue, Suite 1700
San Diego, CA 92101
Attn: Director

Address for LESSEE/ASSIGNOR:

c/o Bentall Kennedy (US) LP
1215 Fourth Avenue
2400 Financial Center
Seattle, WA 98161
Attn: Mr. Joshua Gurnee, Vice President

Address for ASSIGNEE:

c/o Chesapeake Lodging Trust
1997 Annapolis Exchange Parkway, Suite 410
Annapolis, MD 21401
Attn: D. Rick Adams, Senior Vice President and CIO

14. CAPITALIZED TERMS: All terms spelled with initial-capital letters in this Consent that are not expressly defined in this Consent will have the respective meanings given such terms in the Lease.
15. AUTHORITY: Each individual executing this Consent to Assignment on behalf of another person or legal entity represents and warrants that he/she is authorized to execute and deliver this Consent to Assignment on behalf of such person or entity in accordance with duly adopted resolutions or other authorizing actions necessary and proper and under such legal entity's articles, charter, bylaws, or other written rules of conduct or governing agreement, and that this Consent to Assignment is binding upon such person or entity in accordance with its terms. Each person executing this Consent to Assignment on behalf of another person or legal entity shall provide CITY with evidence, satisfactory to CITY, that such authority is valid, and such entity is a valid, qualified corporation, limited liability company, partnership, or other unincorporated association in good standing in its home state and that such entity is qualified to do business in California.
16. NO AMENDMENT: Nothing in this Consent shall be deemed to amend or otherwise modify the Lease. CITY shall not be bound by any term or condition in this Consent which would reduce CITY's rights or increase CITY's obligations under the Lease.

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

THE CITY OF SAN DIEGO, a California
Municipal Corporation

Date: 9/5/12

By: [Signature]
James F. Barwick, CCIM
Real Estate Assets Director

ASSIGNOR:

KENCAL OWNERSHIP, LLC
a California limited liability company

By: KENCAL Delaware, LLC,
a Delaware limited liability company, its Manager

By: KAREC California Development
Program LLC, a California limited liability
company, its Manager

By: Bentall Kennedy (U.S.), LP, a Washington
limited partnership, its Manager

Date: 08-31-12

By: [Signature]
Name: Scott Matthews
Title: Senior Vice President

ASSIGNEE:

CHSP MISSION BAY LLC,
a Delaware limited liability company

Date: 08/31/12

By: [Signature]
Name: D. Rick Adams
Title: Vice President

APPROVED as to form and legality this
6th day of September, 2012

JAN I. GOLDSMITH, City Attorney

By: [Signature]
Name: Leslie Fitzgerald
Title: Chief Deputy City Attorney

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

CIVIL CODE § 1189

State of California

County of San Diego

On 9/5/12
Date

before me,

Peggy Martinez, Notary Public
Here Insert Name and Title of the Officer

personally appeared

James F. Barwick
Name(s) of Signer(s)

who 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 person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.



Place Notary Seal Above

Signature:

[Signature]
Signature of Notary Public

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document:

Consent to Assignment

Document Date:

Date signed 9/5/12

Number of Pages:

6

Signer(s) Other Than Named Above:

Capacity(ies) Claimed by Signer(s)

Signer's Name:

Signer's Name:

☐ Corporate Officer — Title(s):

☐ Corporate Officer — Title(s):

☐ Individual

☐ Individual

☐ Partner — ☐ Limited ☐ General

☐ Partner — ☐ Limited ☐ General

☐ Attorney in Fact

☐ Attorney in Fact

☐ Trustee

☐ Trustee

☐ Guardian or Conservator

☐ Guardian or Conservator

☐ Other:

☐ Other:

Signer Is Representing:

Signer Is Representing:

RIGHT THUMBPRINT
OF SIGNER
Top of thumb here

RIGHT THUMBPRINT
OF SIGNER
Top of thumb here

EXHIBIT "A"
TO
CONSENT TO ASSIGNMENT

ASSIGNMENT AND ASSUMPTION OF GROUND LEASE AND CONVEYANCE OF
HOTEL IMPROVEMENTS

[see attached]

RECORDING REQUESTED BY AND
WHEN RECORDED MAIL TO:

CHSP Mission Bay LLC
c/o Chesapeake Lodging Trust
1997 Annapolis Exchange Parkway, Suite 410
Annapolis, MD 21401
Attn: Graham J. Wootten

ASSIGNMENT AND ASSUMPTION OF GROUND LEASE
AND
CONVEYANCE OF HOTEL IMPROVEMENTS

THIS ASSIGNMENT AND ASSUMPTION OF GROUND LEASE AND CONVEYANCE OF HOTEL IMPROVEMENTS (this "Assignment") is made as of _____, 2012 (the "Closing Date"), by and among KENCAL OWNERSHIP LLC, a California limited liability company ("Assignor"), and CHSP MISSION BAY LLC, a Delaware limited liability company ("Assignee"), with reference to the following:

RECITALS

A. The City of San Diego (the "City") and Assignor, on the 4th day of October, 2005, entered into a Lease Agreement (the "Ground Lease") of certain uplands and tidelands in the City of San Diego, California (the "Leased Premises"), which Leased Premises is legally described on Exhibit A attached hereto.

B. Assignor now desires to assign and convey to Assignee, and Assignee now desires to assume and accept from Assignor, all of Assignor's interest in, to and under the Ground Lease and all of the buildings, other immovable structures and improvements, including the marina, owned by Assignee located on the Leased Premises (the "Hotel and Marina Improvements").

AGREEMENT

NOW, THEREFORE, in consideration of the covenants and agreements hereinafter set forth and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. Assignment. As of the Closing Date, Assignor hereby assigns, conveys, transfers, and sets over to Assignee all of Assignor's right, title and interest in and to the Ground Lease, the Leased Premises and the Hotel and Marina Improvements, and all of the responsibilities and obligations of Assignor under the Ground Lease. Assignor agrees to indemnify Assignee against and hold Assignee harmless from any and all claims, liabilities, losses, damages and expenses, including, without limitation, reasonable attorneys' fees, arising out of acts or omissions of Assignor under the Ground Lease occurring or existing prior to the Closing Date. Assignee agrees to reasonably cooperate with Assignor at no substantial out of pocket cost to Assignee in connection with a claim which is the subject of Assignor's indemnity obligation to Assignee hereunder.

2. Assumption. As of the Closing Date, Assignee hereby accepts and assumes all of Assignor's right, title and interest in and to the Ground Lease, the Leased Premises and the Hotel and Marina Improvements, and all of the responsibilities and obligations of Assignor under, the Ground Lease. Assignee hereby indemnifies Assignor against and holds Assignor harmless from any and all claims, liabilities, losses, damages and expenses, including, without limitation, reasonable attorneys' fees arising out of acts or omissions of Assignee under the Ground Lease occurring or originating on or after the Closing Date. Assignor agrees to reasonably cooperate with Assignee at no substantial out of pocket cost to Assignor in connection with a claim which is the subject of Assignee's indemnity obligation to Assignor hereunder.

3. Consent of City. The assignment and assumption of the Ground Lease under this Assignment has been consented to by the City pursuant to that certain City of San Diego Consent to Assignment, dated as of August __, 2012.

4. Miscellaneous.

4.1. Entire Agreement. This Assignment and that the Purchase and Sale Agreement and Joint Escrow Instructions, dated July 31, 2012, by and between Assignor, KenCal Ownership LLC and Assignee (as amended, the "Purchase and Sale Agreement") contain the entire agreement and understanding between Assignee and Assignor concerning the subject matter of this Assignment. Assignor makes no representations or warranties as to the Ground Lease, the Leased Premises or the Hotel and Marina Improvements except to the extent expressly provided in the Purchase and Sale Agreement. Nothing contained in this Assignment shall be deemed to waive or abrogate any limits on liability or indemnification specified in the Purchase and Sale Agreement and none of such provisions in the Purchase and Sale Agreement shall be deemed to have merged into this Assignment. In the event of any conflict between the terms hereof and of the Purchase and Sale Agreement, the terms of the Purchase and Sale Agreement shall control.

4.2. Joint Efforts. This Assignment has been drafted through a joint effort of the parties and, therefore, shall not be construed in favor of or against either of the parties, and shall be construed as a whole in accordance with its fair meaning, and without regard to California Civil Code Section 1654 or similar statutes.

4.3. Invalidity of Provision. If any provision of this Assignment as applied to either party or to any circumstance shall be adjudged by a court of competent jurisdiction to be void or unenforceable for any reason, the provision shall remain fully enforceable (to the maximum extent permissible by law) in circumstances different from those adjudicated by the court, and the validity or enforceability of this Assignment as a whole shall not be affected.

4.4. Governing Law. This Assignment shall be governed by and construed in accordance with the laws of the State of California applicable to contracts made and to be performed in California.

4.5. Attorneys' Fees. In the event of any legal or equitable proceeding to enforce any of the terms or conditions of this Assignment, or any alleged disputes, breaches, defaults or misrepresentations in connection with any provision of this Assignment, the prevailing party in such proceeding shall be entitled to recover its reasonable costs and expenses, including, without limitation, reasonable attorneys' fees and costs of defense paid or incurred in good faith.

4.6. Successors. This Assignment shall inure to the benefit of and be binding upon the parties and their respective successors and assigns.

4.7 Counterparts. This Assignment may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Signature pages may be detached from the counterparts and attached to a single, copy of this Assignment to physically form one document.

[signatures on following page]

IN WITNESS WHEREOF, this Assignment and Assumption of Ground Lease and Conveyance of Hotel Improvements has been executed effective as of the day and year first written above.

ASSIGNOR:

KENCAL OWNERSHIP LLC,
a California limited liability company

By: KENCAL Delaware, LLC,
a Delaware limited liability company,
its Manager

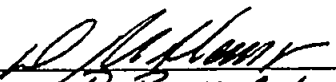
By: KAREC California Development Program, LLC,
a California limited liability company,
its Manager

By: Bentall Kennedy (U.S.), LP,
a Washington limited partnership,
its Manager

By: _____
Name of Officer: _____
Title: _____

ASSIGNEE:

CHSP MISSION BAY LLC,
a Delaware limited liability company

By: 
Name: D. Rick Adams
Its: Vice President

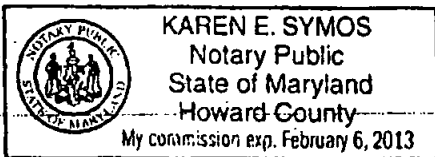
[Assignee Acknowledgment]

STATE OF Maryland
COUNTY OF Anne Arundel ss.

I certify that I know or have satisfactory evidence that D. Rick Adams is the person who appeared before me, and said person acknowledged that said person signed this instrument, on oath stated that said person was authorized to execute the instrument and acknowledged it as the Vice President of CHSP MISSION BAY LLC, a Delaware limited liability company, to be the free and voluntary act of such limited liability company for the uses and purposes mentioned in the instrument.

Dated this 4th day of September, 2012.

(Karen E. Symos)
(Signature of Notary)



Karen E. Symos
(Legibly Print or Stamp Name of Notary)

Notary public in and for the state of Maryland,
residing at Annapolis, MD
My appointment expires 2/6/2013

IN WITNESS WHEREOF, this Assignment and Assumption of Ground Lease and Conveyance of Hotel Improvements has been executed effective as of the day and year first written above.

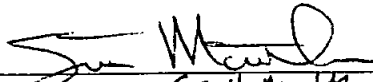
ASSIGNOR:

KENCAL OWNERSHIP LLC,
a California limited liability company

By: KENCAL Delaware, LLC,
a Delaware limited liability company,
its Manager

By: KAREC California Development Program, LLC,
a California limited liability company,
its Manager

By: Bentall Kennedy (U.S.), LP,
a Washington limited partnership,
its Manager

By: 
Name of Officer: Scott Matthews
Title: Senior Vice President

ASSIGNEE:

CHSP MISSION BAY LLC,
a Delaware limited liability company

By: _____
Name: _____
Its: _____

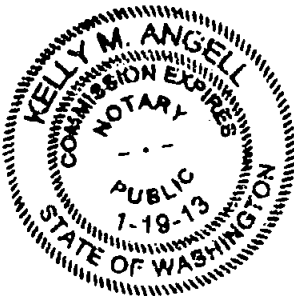
[Assignor Acknowledgment]

STATE OF Washington
COUNTY OF King

ss.

I certify that I know or have satisfactory evidence that Scott Matthews is the person who appeared before me, and said person acknowledged that said person signed this instrument, on oath stated that said person was authorized to execute the instrument and acknowledged it as the Senior Vice President of Bentall Kennedy (U.S.), LP, a Washington limited partnership, the Manager of KAREC California Development Program, LLC, a California limited liability company, the Manager of KENCAL Delaware, LLC, a Delaware limited liability company, the Manager of KENCAL OWNERSHIP LLC, a California limited liability company, to be the free and voluntary act of such limited liability company for the uses and purposes mentioned in the instrument.

Dated this 31st day of August, 2012.



Kelly M. Angell
(Signature of Notary)

Kelly M. Angell
(Legibly Print or Stamp Name of Notary)

Notary public in and for the state of Washington,
residing at Seattle

My appointment expires 01-19-13

**EXHIBIT A
TO
ASSIGNMENT AND ASSUMPTION OF GROUND LEASE**

Legal Description of Leased Premises

PARCEL 1:

THAT PARCEL OF LAND AND ADJOINING WATER AREA IN THE CITY OF SAN DIEGO, STATE OF CALIFORNIA, BEING A PORTION OF THE TIDELANDS AND SUBMERGED OR FILLED LANDS OF FALSE BAY, ALSO KNOWN AS MISSION BAY, INCLUDING ANY PORTION OF THE PUEBLO LANDS OF SAN DIEGO, ACCORDING TO MAP THEREOF BY JAMES PASCOE, A COPY OF WHICH IS ON FILE IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY AND KNOWN AS MISCELLANEOUS MAP NO. 36, DESCRIBED 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" IN 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' 00" WEST) 25.00 TO A POINT OF TANGENT CURVE IN THE BOUNDARY OF SAID LOT; THENCE SOUTH 00° 04' 04" EAST, 2.00 FEET TO A LINE WHICH IS PARALLEL WITH AND 2.00 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 05° 30' 02" WEST, 104.06 FEET TO THE UNITED STATES COAST AND GEODETIC SURVEY, TRIANGULATION STATION "OLD TOWN" - THE LAMBERT GRID COORDINATES 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 COORDINATE SYSTEM; THENCE NORTH 5,160.53 FEET AND WEST 16,030.79 FEET TO MISSION BAY PARK COORDINATES NORTH 5,160.53 FEET AND WEST 16,030.79 FEET, BEING ALSO THE TRUE POINT OF BEGINNING; THENCE SOUTH 15° 55' 11" WEST, 675.05 FEET TO MISSION BAY PARK COORDINATES NORTH 4,511.37 FEET AND WEST 16,215.95 FEET; THENCE NORTH 89° 28' 36" WEST TO MISSION BAY PARK COORDINATES NORTH 4,517.60 FEET AND WEST 16,898.48 FEET; THENCE NORTH 08° 09' 38" WEST, 143.45 FEET TO MISSION BAY PARK COORDINATES NORTH 4,659.60 FEET AND WEST 16,918.84 FEET; THENCE NORTH 57° 31' 13" WEST, 109.37 FEET; THENCE NORTH 08° 09' 38" WEST, 338.66 FEET TO THE BEGINNING OF A TANGENT 364.56 - FOOT RADIUS CURVE, CONCAVE EASTERLY; THENCE NORTHERLY ALONG SAID CURVE 226.18 FEET THROUGH A CENTRAL ANGLE OF 38° 09' 38"; THENCE TANGENT TO SAID CURVE NORTH 30° 00' 00" EAST, 139.21 FEET TO THE BEGINNING OF A TANGENT 171.29 - FOOT RADIUS CURVE, CONCAVE SOUTHERLY; THENCE EASTERLY ALONG SAID CURVE 249.34 FEET THROUGH A CENTRAL ANGLE OF 83° 24' 14"; THENCE TANGENT TO SAID CURVE SOUTH 66° 35' 46" EAST, 763.14 FEET TO THE TRUE POINT OF BEGINNING.

EXCEPTING ALL THE DEPOSITS OF MINERALS, INCLUDING OIL AND GAS, TOGETHER WITH THE RIGHT TO PROSPECT FOR, MINE AND REMOVE SUCH DEPOSITS AND TO OCCUPY AND USE SO MUCH OF THE SURFACE AS MAY BE REQUIRED THEREFOR, AS RESERVED BY THE STATE OF CALIFORNIA IN AN ACT OF THE LEGISLATURE APPROVED APRIL 27, 1945, STATUTES OF CALIFORNIA, CHAPTER 142, AND THE LEASE REFERRED TO HEREIN.

PARCEL 2:

ALL THAT PORTION OF PUEBLO LOT 214, IN THE CITY OF SAN DIEGO, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO MAP THEREOF MADE BY JAMES PASCOE, A COPY OF WHICH IS ON FILE IN THE OFFICE OF THE RECORDER OF SAN DIEGO COUNTY AND IS KNOWN AS MISCELLANEOUS MAP NO. 36, DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHEASTERLY CORNER OF ABOVE SAID PARCEL 1, SAID CORNER BEING MISSION BAY PARK COORDINATES NORTH 5,160.53 FEET AND WEST 16,030.79 FEET; THENCE ALONG THE NORTHERLY BOUNDARY OF SAID PARCEL 1 NORTH 66° 35' 46" WEST, 746.30 FEET; THENCE NORTH 23° 24' 14" EAST, 60.00 FEET; THENCE SOUTH 66° 35' 46" EAST, 321.40 FEET TO THE TRUE POINT OF BEGINNING; THENCE NORTH 23° 24' 14" EAST, 84.65 FEET TO A POINT IN A NON-TANGENT 2,006.00 - FOOT RADIUS CURVE CONCAVE NORTHEASTERLY, A RADIAL LINE TO SAID POINT BEARS SOUTH 30° 06' 41" WEST; THENCE NORTHWESTERLY ALONG SAID CURVE THROUGH AN ANGLE OF 09° 51' 14", AN ARC DISTANCE OF 345.00 FEET; THENCE TANGENT TO SAID CURVE NORTH 50° 02' 05" WEST, 157.33 FEET; THENCE SOUTH 39° 57' 55" WEST, 60.13 FEET TO THE BEGINNING OF A TANGENT 110.00 - FOOT RADIUS CURVE, CONCAVE EASTERLY; THENCE ALONG SAID CURVE THROUGH AN ANGLE OF 106° 33' 41", AN ARC DISTANCE OF 204.58 FEET; THENCE TANGENT TO SAID CURVE SOUTH 66° 35' 46" EAST, 400.00 FEET TO THE TRUE POINT OF BEGINNING,

EXCEPTING ALL THE DEPOSITS OF MINERALS, INCLUDING OIL AND GAS, TOGETHER WITH THE RIGHT TO PROSPECT FOR, MINE, AND REMOVE SUCH DEPOSITS AND TO OCCUPY AND USE SO MUCH OF THE SURFACE AS MAY BE REQUIRED THEREFOR, AS RESERVED BY THE STATE OF CALIFORNIA IN AN ACT OF THE LEGISLATURE APPROVED APRIL 27, 1945, STATUTES OF CALIFORNIA, CHAPTER 142, AND THE LEASE REFERRED TO HEREIN.

**WRITTEN CONSENT IN LIEU OF A MEETING
OF
THE BOARD OF MANAGERS
OF
CHSP MISSION BAY LLC**

July 24, 2012

The undersigned, constituting all of the members of the Board of Managers (the **"Board"**) of CHSP Mission Bay LLC, a Delaware limited liability company (the **"Company"**), acting pursuant to Section 18-404(d) of the Limited Liability Company Act of the State of Delaware (the **"Act"**) and Section 5.07 of the Amended and Restated Limited Liability Company Operating Agreement of the Company, dated as of July 16, 2012, hereby adopt the following resolutions by written consent, including written consent by electronic transmission pursuant to Section 18-404(d) of the Act:

Acquisition of Hotel

WHEREAS, the officers of the Company have presented certain information relating to the proposed acquisition of the property known as the Hyatt Regency Mission Bay Spa and Marina hotel located at 1441 Quivira Road, San Diego, California 92109 (the **"Hotel"**) by the Company (such transaction, the **"Acquisition"**);

WHEREAS, the Company desires to enter into a Purchase and Sale Agreement (the **"Purchase Agreement"**), which Purchase Agreement sets forth the terms upon which the Company will consummate the Acquisition; and

WHEREAS, that the Board deems it advisable and in the best interest of the Company for the Company to enter into the Purchase Agreement and to consummate the Acquisition in accordance with these resolutions.

NOW, THEREFORE, BE IT RESOLVED, that the officers of the Company are hereby authorized, in the name and on behalf of the Company, to enter into the Purchase Agreement;

RESOLVED FURTHER, that the Board hereby consents to and authorizes the officers of the Company, on behalf of the Company, to execute, deliver and perform the Purchase Agreement, with such Purchase Agreement to contain such terms and conditions and be in such form as any officer or officers of the Company may determine to be necessary or appropriate (such determination to be conclusively, but not exclusively, evidenced by the execution of the Purchase Agreement by any such officer);

RESOLVED FURTHER, that following the full execution of the Purchase Agreement, the officers of the Company are hereby authorized, in the name and on behalf of the Company, to perform the Purchase Agreement relating to the purchase of the Hotel and to consummate the Acquisition; and

RESOLVED FURTHER, that the Board hereby consents to and authorizes the officers of the Company, on behalf of the Company, to negotiate, execute, deliver and perform any additional agreements and documents as are required by the Purchase Agreement or are necessary in connection with the Acquisition (the "**Acquisition Documents**"), with such Acquisition Documents to contain such terms and conditions and be in such form as any officer or officers of the Company may determine to be necessary or appropriate (such determination to be conclusively, but not exclusively, evidenced by the execution of any such Acquisition Document by any such officer).

Lease of Hotel

WHEREAS, following the Acquisition, the Board deems it advisable and in the best interest of the Company for the Company to lease the Hotel to CHSP TRS Mission Bay LLC (the "**TRS Subsidiary**").

NOW, THEREFORE BE IT RESOLVED, that the lease of the Hotel by the Company to the TRS Subsidiary pursuant to a lease agreement (the "**Lease Agreement**") to be entered into between the Company and the TRS Subsidiary is hereby authorized and approved; and

RESOLVED FURTHER, that the officers of the Company, on behalf of the Company, are hereby authorized to prepare, execute, deliver and perform the Lease Agreement, with the Lease Agreement to contain such terms and conditions and be in such form as the officers of the Company may determine to be necessary or appropriate (such determination to be conclusively, but not exclusively, evidenced by the execution of the Lease Agreement by any such officer).

Guaranties

WHEREAS, following the consummation of the Lease Agreement, the TRS Subsidiary plans to take assignment of and assume all obligations of "Owner" under the existing Management Agreement between KenCal Operating LLC (as successor-in-interest to Islandia Associates, Ltd.) and Hyatt Corporation (as successor-in-interest to California Hyatt Corporation) dated as of August 10, 1976, as amended, pursuant to an assignment and assumption of management agreement and any other documents necessary in connection with such assumption (the "**Management Agreement**").

NOW, THEREFORE BE IT RESOLVED, that the Board hereby authorizes and approves the execution, delivery and performance of a landlord, tenant, and manager non-disturbance and attornment agreement with TRS Subsidiary and Hyatt Corporation to guarantee, among other things, the obligations of TRS Subsidiary under the Management Agreement, to the extent required (the "**Guaranty**") as the officers of the Company may determine to be necessary or appropriate (such determination to be conclusively, but not exclusively, evidenced by the execution of the Guaranty by any of the officers of the Company).

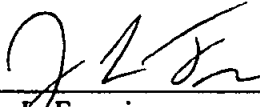
General Authorization, Ratification and Counterparts

NOW, THEREFORE, BE IT RESOLVED, that consistent with the foregoing resolutions, the officers of the Company, or any one or more of them, are hereby authorized and directed, in the name and on behalf of the Company, to do all things, to take all actions and to execute, deliver and file all other agreements, instruments, reports, documents and regulatory and other notices as may be determined by any officer to be necessary or appropriate in effecting all or any of the foregoing resolutions (such determination to be conclusively, but not exclusively, evidenced by the taking of such actions or the execution, delivery and filing of such agreements, instruments, reports, documents or regulatory or other notices by any such officer without any further action or approval by the Board);

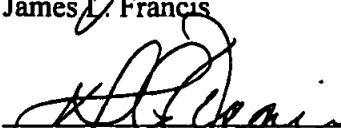
RESOLVED FURTHER, that all actions taken and all agreements, instruments, reports, documents and regulatory and other notices executed, delivered or filed through the date hereof by any officer of the Company, or any agents, attorneys, accountants, auditors, and outside consultants of the Company, in the name and on behalf of the Company, in connection with or with respect to effectuating all or any of the foregoing resolutions are hereby authorized, approved, ratified and confirmed in all respects; and

RESOLVED FURTHER, that this Written Consent may be executed in one or more counterparts, each of which shall be deemed an original, and any copy, facsimile or other reliable reproduction of this Written Consent may be substituted or used in lieu of the original Written Consent for any and all purposes for which the original could be used.

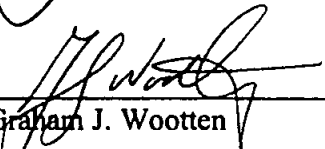
IN WITNESS WHEREOF, the undersigned, being all of the members of the Board of Managers of CHSP Mission Bay LLC, have executed this Written Consent as of the date first above written.



James L. Francis



Douglas W. Vicari

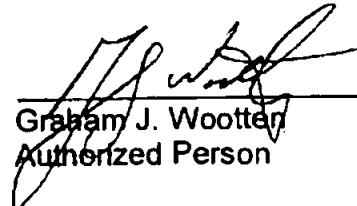


Graham J. Wootten

CERTIFICATE OF FORMATION
OF
CHSP SHOREBREAK LLC

1. The name of the limited liability company is CHSP Shorebreak LLC.
2. The address of its registered office in the State of Delaware is Corporation Service Company, 2711 Centerville Road, Suite 400 Wilmington, Delaware, 19808. The name of its registered agent at such address is Corporation Service Company.
3. This Certification of Formation shall be effective upon filing.

IN WITNESS WHEREOF, the undersigned has executed this Certificate of Formation of CHSP Shorebreak LLC this 11th day of June, 2012.

By: 
Graham J. Wooten
Authorized Person

Delaware

PAGE 1

The First State

I, JEFFREY W. BULLOCK, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE CERTIFICATE OF FORMATION OF "CHSP SHOREBREAK LLC", FILED IN THIS OFFICE ON THE ELEVENTH DAY OF JUNE, A.D. 2012, AT 11:01 O'CLOCK A.M.



5167610 8100

120723024

You may verify this certificate online
at corp.delaware.gov/authver.shtml


Jeffrey W. Bullock, Secretary of State
AUTHENTICATION: 9632331

DATE: 06-11-12

Delaware

PAGE 1

The First State

I, JEFFREY W. BULLOCK, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE CERTIFICATE OF AMENDMENT OF "CHSP SHOREBREAK LLC", CHANGING ITS NAME FROM "CHSP SHOREBREAK LLC" TO "CHSP MISSION BAY LLC", FILED IN THIS OFFICE ON THE SIXTEENTH DAY OF JULY, A.D. 2012, AT 4:18 O'CLOCK P.M.

5167610 8100

120840029

You may verify this certificate online
at corp.delaware.gov/authver.shtml




Jeffrey W. Bullock, Secretary of State
AUTHENTICATION: 9713089

DATE: 07-16-12

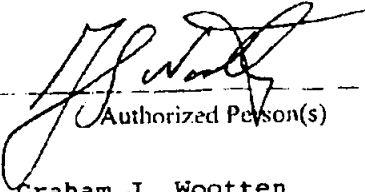
STATE OF DELAWARE
CERTIFICATE OF AMENDMENT

1. Name of Limited Liability Company: CHSP Shorebreak LLC

2. The Certificate of Formation of the limited liability company is hereby amended
as follows:

The name of the limited liability company is CHSP
Mission Bay LLC.

IN WITNESS WHEREOF, the undersigned have executed this Certificate on
the 16th day of July A.D. 2012

By: 
Authorized Person(s)

Name: Graham J. Wootten
Print or Type

ESTOPPEL CERTIFICATE

THIS ESTOPPEL CERTIFICATE ("Certificate"), dated August 23, 2012, is made by THE CITY OF SAN DIEGO, a municipal corporation ("City"), in favor of KENCAL OWNERSHIP LLC, a California limited liability company ("Lessee"), and CHSP MISSION BAY LLC, a Delaware limited liability company ("Buyer").

1. City's Certifications. City hereby certifies to Lessee and Buyer the following:

(a) Lease Agreement and Premises.

- Pursuant to that City of San Diego Lease Agreement between City and Lessee, filed as Document No. RR-300863, dated October 4, 2005, in the Office of City Clerk ("Lease"), City leased to Lessee the City-owned real property commonly known as Hyatt Regency Mission Bay, located at 1441 Quivira Road, San Diego, California and more particularly described on attached Exhibit "A" ("Premises").
- A true, correct and complete copy of the Lease is attached to this Certificate as Exhibit "B". The Lease has not been amended.
- The Lease is in full force and effect and constitutes the entire agreement between City and Lessee with respect to the Premises.

(b) Term.

- The term of the Lease commenced on January 9, 2006, and shall expire on January 31, 2056. Lessee does not have any rights to renew or extend the Lease.

(c) Rent.

- The current minimum rent payable under the Lease is One Million Nine Hundred Eighty Four Thousand Seven Hundred Thirty Two Dollars and Forty Three Cents (\$1,984,732.43) per lease year. The last payment of percentage rent, in the amount of Two Hundred Ninety Six Thousand Seven Hundred Sixty One Dollar and Twenty Three Cents (\$296,761.23), was made by Lessee on July 27, 2012; said payment is for the calendar month of June, 2012.

(d) Security Deposit.

- There is no security deposit required by the Lease or presently held by City.

(e) Defaults; Offsets.

To the current actual knowledge of City's Real Estate Department:

- There is no default by Lessee under the Lease;
- Lessee has no offsets, counterclaims, defenses, deductions or credits with respect to the Lease;
- Lessee has no claim against City;
- No controversy presently exists between City and Lessee, including any litigation or arbitration, with respect to the Lease or the Premises.

(f) Consent as to Subleases and Management of Hotel and Marina.

- City has consented to Hyatt Corporation as the manager and operator of the hotel and marina located on the Premises

(g) Lease not Subordinate.

- The Lease is not subordinate, and has not been subordinated by City, to any mortgage, lien or other encumbrance, including (i) that certain Master Site Lease dated May 1, 2010 between City, as lessor, and the Public Facilities Financing Authority of the City of San Diego, as lessee, and (ii) that certain Master Facilities Lease dated May 1, 2010 between the Authority, as lessor, and City, as lessee.

(h) Additional Consideration.

- City acknowledges that Buyer has informed City that (i) Buyer intends to pay all cash to Lessee at closing in connection with the acquisition of Lessee's interest under the Lease and the improvements owned by Lessee located on the Premises and (ii) Buyer intends, in the future after its acquisition of the Premises, to encumber Buyer's leasehold estate under the Lease and the improvements located on the Premises with a loan in an amount that does not exceed the original purchase price paid by Buyer to Lessee. Subject to City's consent rights pursuant to Section 5.2 of the Lease with respect to such future encumbrance, City acknowledges and agrees that Buyer shall not be obligated to pay any additional consideration to the City under Section 5.3 of the Lease in connection with such future initial financing of Buyer's interest in the Lease and the improvements located on the Premises as long as the amount of such future initial financing does not exceed the original purchase price paid by Buyer to Lessee.

(i) Section 5.4.

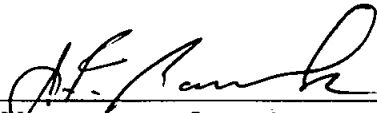
- City acknowledges that Section 5.4 of the Lease shall not be applicable to Buyer or its successors and assigns, as lessee, during the term of the Lease.

2. Reliance. This Certificate may be relied upon by Lessee, Buyer and their respective successors and assigns and shall be binding on City and its legal representatives, successors and assigns. City and the persons executing this Certificate on behalf of City has the power and authority to execute this Certificate.

3. No Waiver or Amendment. The execution of this Certificate by City does not amend the Lease or waive any of Lessee's rights or obligations under the Lease.

IN WITNESS WHEREOF, City has caused this Estoppel Certificate to be executed and delivered as of the day and year first written above.

THE CITY OF SAN DIEGO,
a California municipal corporation

By: 
Name: James F. Barwick, CCIM
Title: Director, Real Estate Assets

Approved as to form and legality
this 23rd day of August, 2012.

JAN I. GOLDSMITH, City Attorney

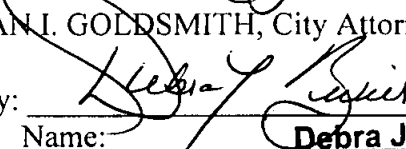
By: 
Name: Debra J. Bevier
Title: Deputy City Attorney

EXHIBIT A
TO
ESTOPPEL CERTIFICATE

Legal Description

PARCEL 1

That parcel of land and adjoining water area in the City of San Diego, State of California, being a portion of the tidelands and submerged or filled lands of False Bay, also known as Mission Bay, including any portion of the Pueblo Lands of San Diego, according to Map thereof by James Pascoe, a copy of which is on file in the Office of the County Recorder of San Diego County and known as Miscellaneous Map No. 36, described 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" in 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°59'00" West) 25.00 to a point of tangent curve in the boundary of said Lot; thence South 00°04'04" East, 2.00 feet to a line which is parallel with and 2.00 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 05°30'02" West, 104.06 feet to the United States Coast and Geodetic Survey, Triangulation Station "Old Town" the Lambert Grid Coordinates 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 Coordinate System; thence North 5,160.53 feet and West 16,030.79 feet to Mission Bay Park Coordinates North 5,160.53 feet and West 16,030.79 feet, being also the TRUE POINT OF BEGINNING; thence South 15°55'11" West, 675.05 feet to Mission Bay Park Coordinates North 4,511.37 feet and West 16,215.95 feet; thence North 89°28'36" West to Mission Bay Park Coordinates North 4,517.60 feet and West 16,898.48 feet; thence North 08°09'38" West, 143.45 feet to Mission Bay Park Coordinates North 4,659.60 feet and West 16,918.84 feet; thence North 57°31'13" West, 109.37 feet; thence North 08°09'38" West, 338.66 feet to the beginning of a tangent 364.56-foot radius curve, concave Easterly; thence Northerly along said curve 226.18 feet through a central angle of 38°09'38"; thence tangent to said curve North 30°00'00" East, 139.21 feet to the beginning of a tangent 171.29-foot radius curve, concave Southerly; thence Easterly along said curve 249.34 feet through a central angle of 83°24'14"; thence tangent to said curve South 66°35'46" East, 763.14 feet to the TRUE POINT OF BEGINNING.

The above-described Parcel 1 contains approximately 358,063.80 square feet of land area and approximately 397,223.64 square feet of water area.

PARCEL 2

All that portion of Pueblo Lot 214, in the City of San Diego, County of San Diego, State of California, according to Map thereof made by James Pascoe, a copy of which is on file in the Office of the Recorder of San Diego County and is known as Miscellaneous Map No. 36, described as follows:

Beginning at the Northeasterly corner of above said Parcel 1, said corner being Mission Bay Park Coordinates North 5,160.53 feet and West 16,030.79 feet; thence along the Northerly boundary of said Parcel 1 North 66°35'46" West, 746.30 feet; thence North 23°24'14" East, 60.00 feet; thence South 66°35'46" East, 321.40 feet to the TRUE POINT OF BEGINNING; thence North 23°24'14" East, 84.65 feet to a point in a non-tangent 2,006.00-foot radius curve concave Northeasterly, a radial line to said point bears South 30°06'41" West; thence Northwesterly along said curve through an angle of 09°51'14", an arc distance of 345.00 feet; thence tangent to said curve North 50°02'05" West, 157.33 feet; thence South 39°57'55" West, 60.13 feet to the beginning of a tangent 110.00-foot radius curve, concave Easterly; thence along said curve through an angle of 106°33'41", an arc distance of 204.58 feet; thence tangent to said curve South 66°35'46" East, 400.00 feet to the TRUE POINT OF BEGINNING.

The above-described Parcel 2 contains approximately 65,775.00 square feet.

EXHIBIT B
TO
ESTOPPEL CERTIFICATE

Ground Lease

[see attached]