

ASSIGNMENT OF LEASE AGREEMENT AND CONSENT OF LESSOR

THIS ASSIGNMENT (this "Assignment") is made this ____ day of _____, 20__, by and between SMB Restaurant, LLC ("Assignor") and Sunset City, a Delaware LLC, ("Assignee") a wholly owned subsidiary of LaSalle Hotel Operating Partnership, LP ("Guarantor").

A. Assignor's predecessor in interest, as tenant and City of Key West, as landlord ("Landlord") have previously entered into that certain lease dated May 1, 2009 per Resolution 09-110, (the "Lease"), a copy of which is attached hereto as Exhibit "A". The Lease pertains to real property located at 1405 Duval Street, in Monroe County, Florida, and more particularly described on Exhibit B, which is attached hereto and incorporated by reference.

B. Assignor desires to assign all of its right, title and interest in the Lease to Assignee, Assignee desires to accept and assume the same, and Landlord is willing to consent to the proposed Assignment, all on the terms and conditions hereof.

NOW THEREFORE, in consideration of the mutual terms and conditions herein contained, and other good and valuable consideration, the receipt of which is hereby acknowledged, the parties hereby agree as follows:

1. Assignor hereby assigns and transfers unto Assignee all of its right, title, and interest in and to the Lease, subject to all the conditions and terms contained therein.

2. Assignor herein expressly represents and warrants that (a) it is the lawful and sole owner of the lessee's interest assigned herein, (b) Assignor's interest in the Lease is free from all encumbrances, and (c) Assignor has not received any written notice from Landlord that Assignor has failed to perform all the duties and obligations or failed to make any payments required under the Lease.

3. Assignor herein expressly acknowledges, pursuant to paragraph 8 of the Lease, that this Assignment shall not relieve Assignor from liability for payment of rent or from the obligation to keep and be bound by the terms, conditions, and covenants contained in the Lease, provided, however, no such liability shall extend beyond the expiration of the current expiration date of the initial Term (as defined in the Lease) which is April 30, 2019.

4. Assignee herein expressly agrees to assume, perform and be liable for all of the duties and obligations of "Tenant" required by and under the terms of the Lease, including but not limited to, the obligation to pay all rent due thereunder from and after the effective date of this Assignment.

5. Assignee is hereby authorized to sublease to Sunset City Lessee, a Delaware LLC, and wholly owned subsidiary of LaSalle Hotel Operating Partnership, LP.

6. This Assignment is contingent upon the completion of the sale between Assignor and Assignee of the business known as "Southernmost Beach Cafe" and conducted on and from the Premises. References herein to the "effective date" shall mean the date of the closing of the aforementioned sale transaction.

7. Assignee agrees to indemnify, defend and hold Assignor and its legal representatives, successors and assigns harmless from and against any and all losses, damages, claims, demands, suits, judgments, liabilities, costs and expenses (including, without limitation, reasonable attorneys' fees and court costs), suffered or incurred by any of said indemnitees under or in connection with the Lease arising on or after the effective date hereof. Assignor agrees to indemnify, defend and hold Assignee and its legal representatives, successors and assigns harmless from and against any and all losses, damages, claims, demands, suits, judgments, liabilities, costs and expenses (including, without limitation, reasonable attorneys' fees and court costs), suffered or incurred by any of said indemnitees under or in connection with the Lease and arising prior to the effective date hereof.

8. No later than the effective date of this Assignment, Assignee herein expressly agrees to provide to Landlord a letter of credit from a federally insured bank in favor of Landlord as security for the faithful performance by Assignee of the terms, conditions and covenants of the Lease. The amount of the letter of credit shall be \$150,000.00.

9. In the event Assignee files any form of bankruptcy, Landlord shall be entitled to immediate termination of the automatic stay provisions of 11 U.S.C. §362, granting Landlord complete relief and allowing Landlord to exercise all of its legal and equitable rights and remedies, including, without limitation, the right to terminate the Lease and dispossess Assignee from the Premises in accordance with Florida law. Additionally, Assignee agrees not to directly or indirectly oppose or otherwise defend against Landlord's effort to gain relief from any automatic stay. Landlord shall be entitled as aforesaid to the lifting of the automatic stay without the necessity of an evidentiary hearing and without the necessity or requirement of Landlord to establish or prove the value of the leasehold, the lack of adequate protection of his interest in the leasehold, or the lack of equity in the same. Assignee specifically agrees and acknowledges that the lifting of the automatic stay hereunder by the appropriate bankruptcy court shall be deemed to be "for cause" pursuant to section 362(d)(1).

10. The Guarantor does hereby absolutely, unconditionally and irrevocably guarantee to the City the full and complete performance of all of Assignee's covenants and obligations under the Lease and full payment by Assignee of all rentals, additional charges and other charges and amounts required to be paid hereunder during the entire term. Guarantor's obligations hereunder shall be primary and not secondary and are independent of the obligations of the Assignee.

**[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK;
SIGNATURES ON FOLLOWING PAGE]**

IN WITNESS WHEREOF, the parties have executed this Assignment as of the date first above written.

ASSIGNOR: SMB Restaurant, LLC

Witness to Assignor

By: _____
Name: Stuart Kaufman
Title: Manager Member

Witness to Assignor

By: _____
Name: Dale G. Rands
Title: Manager Member

ASSIGNEE: Sunset City, a Delaware LLC

Witness to Assignee

By: _____
Name:
Title:

GUARANTOR: LaSalle Hotel Operating Partnership, LP

Witness to Guarantor

By: _____
Name:
Title:

ASSIGNOR ACKNOWLEDGMENT

State of Florida }
County of Monroe }

I HEREBY CERTIFY that on this day personally appeared before me, an officer duly authorized to administer oaths and take acknowledgements, _____ to me personally known or who provided _____ as photo identification, and who executed the foregoing instrument and he acknowledged before me that he executed the same individually and for the purposes therein expressed.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal in the County and State last aforesaid, this ____ day of _____, 20____.

Notary Public, State of Florida
My Commission Expires:

ASSIGNOR ACKNOWLEDGMENT

State of Florida }
County of Monroe }

I HEREBY CERTIFY that on this day personally appeared before me, an officer duly authorized to administer oaths and take acknowledgements, _____ to me personally known or who provided _____ as photo identification, and who executed the foregoing instrument and he acknowledged before me that he executed the same individually and for the purposes therein expressed.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal in the County and State last aforesaid, this ____ day of _____, 20____.

Notary Public, State of Florida
My Commission Expires:

ASSIGNEE ACKNOWLEDGMENT

State of Florida }
County of Monroe }

I HEREBY CERTIFY that on this day personally appeared before me, an officer duly authorized to administer oaths and take acknowledgements, _____ to me personally known or who provided _____ as photo

identification, and who executed the foregoing instrument and he/she acknowledged before me that he executed the same individually and for the purposes therein expressed.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal in the County and State last aforesaid, this ____ day of _____, 20__.

Notary Public, State of Florida
My Commission Expires:

CONSENT OF LANDLORD

I, Craig Cates, Mayor of the City of Key West, the landlord named in that certain lease dated May 1, 2009 per Resolution 09-110, herein expressly consent to the Assignment so long as the sale between Assignor and Assignee of the business known as "Southernmost Beach Cafe" which is conducted on and from the Premises is completed on or before September 30, 2013, failing which this Consent shall be deemed null and void, of no force or effect and withdrawn.

I also consent to the agreement by Assignee to assume, after the effective date of the Assignment, the payment of rent and the performance of all duties and obligations as set forth in the Lease and accept Assignee as tenant in the place of Smithburg, Inc. alone. Landlord hereby agrees that (i) any security deposit delivered by Assignor to Landlord in connection with the Lease will be returned to Assignor within 15 days following the effective date of the Assignment and (ii) a fee will be charged by Landlord in connection with the Assignment and Landlord's consent thereto.

Defined terms used in this Consent of Landlord shall have the meanings ascribed to such terms in the Assignment of Lease by and between Smithburg, Inc., as assignor and Moro Management, Inc., as assignee, to which this Consent of Landlord is attached.

LANDLORD:

City of Key West

Witness as to Landlord

Craig Cates, Mayor

State of Florida }
County of Monroe }

I HEREBY CERTIFY that on this day personally appeared before me, an officer duly authorized to administer oaths and take acknowledgements, Craig Cates to me personally known or who provided _____ as photo identification, and who executed the foregoing instrument and he acknowledged before me that he executed the same for the purposes therein expressed.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal in the County and State last aforesaid, this ____ day of _____, 20__.

Notary Public, State of Florida
My Commission Expires: