

Citibank,N.A.

DATE : AUG. 26, 2013

ISSUING BANK:

CITIBANK, N.A.
C/O IT'S SERVICER, CITICORP NORTH AMERICA, INC.
3800 CITIBANK CENTER, BUILDING B, 3RD FLOOR
TAMPA, FL 33610
PHONE: 1-866-945-6284

BENEFICIARY:

CITY OF KEY WEST
PROPERTY MANAGEMENT
525 ANGELA STREET
KEY WEST, FL 33040

APPLICANT:

LASALLE HOTEL OPERATING PARTNERSHIP, L.P.
3 BETHESDA METRO CENTER, SUITE 1200
BETHESDA, MD 20814

LETTER OF CREDIT NO: 63669015

GENTLEMEN:

BY ORDER OF OUR CLIENT, LASALLE HOTEL OPERATING PARTNERSHIP, L.P. (THE "APPLICANT"), WE HEREBY OPEN OUR IRREVOCABLE STANDBY LETTER OF CREDIT NO. 63669015, IN YOUR FAVOR FOR AN AMOUNT NOT TO EXCEED IN AGGREGATE USD 150,000.00 (ONE HUNDRED FIFTY THOUSAND AND 00/100 U.S. DOLLARS), EFFECTIVE IMMEDIATELY AND EXPIRING AT THE OFFICE OF OUR SERVICER, CITICORP NORTH AMERICA, INC. AT 3800 CITIBANK CENTER, BUILDING B, 3RD FLOOR, TAMPA, FLORIDA 33610 ATTN. STANDBY LETTER OF CREDIT UNIT OR SUCH OTHER OFFICE AS WE MAY ADVISE YOU FROM TIME TO TIME (THE "OFFICE"), ON SEPTEMBER 01, 2014.

FUNDS HEREUNDER ARE AVAILABLE TO YOU AGAINST PRESENTATION OF YOUR SIGHT DRAFT(S), DRAWN ON US, MENTIONING THEREON OUR LETTER OF CREDIT NUMBER 63669015, ACCOMPANIED BY YOUR WRITTEN AND DATED STATEMENT, SIGNED BY AN AUTHORIZED OFFICER OF YOUR COMPANY, STATING THE FOLLOWING:

"WE HEREBY CERTIFY THAT THE AMOUNT OF ANY DRAFT(S) DRAWN HEREUNDER REPRESENTS FUNDS DUE AND PAYABLE BECAUSE A DEFAULT HAS OCCURRED UNDER THAT CERTAIN LEASE AGREEMENT BETWEEN SUNSET CITY, LLC (THE "TENANT"), AND CITY OF KEY WEST (THE "LANDLORD"), DATED _____, WRITTEN NOTICE OF SUCH DEFAULT WAS DULY GIVEN TO THE TENANT AND ALL APPLICABLE GRACE PERIODS EXPIRED UNDER SAID LEASE."

IT IS A CONDITION OF THIS LETTER OF CREDIT THAT IT SHALL BE DEEMED AUTOMATICALLY EXTENDED, WITHOUT AMENDMENT, FOR ADDITIONAL PERIOD(S) OF ONE YEAR FROM THE EXPIRY DATE HEREOF, OR ANY FUTURE EXPIRATION DATE, UNLESS AT LEAST THIRTY (30) DAYS PRIOR TO ANY EXPIRATION DATE WE NOTIFY YOU BY REGISTERED MAIL OR BY ANY OTHER RECEIPTED MEANS THAT WE ELECT NOT TO CONSIDER THIS LETTER OF CREDIT RENEWED FOR ANY SUCH ADDITIONAL PERIOD, WHEREUPON YOU MAY DRAW FOR THE AVAILABLE AMOUNT UNDER THIS LETTER OF CREDIT BY MEANS OF YOUR SIGHT DRAFT(S), DRAWN ON US, MENTIONING OUR LETTER OF CREDIT NUMBER.

Citibank,N.A.

WE HEREBY AGREE TO HONOR EACH DRAFT DRAWN UNDER AND IN COMPLIANCE WITH THE TERMS AND CONDITIONS OF THIS LETTER OF CREDIT IF PRESENTED, AS SPECIFIED, AT OUR OFFICE ON OR BEFORE EXPIRATION DATE.

SHOULD YOU HAVE OCCASION TO COMMUNICATE WITH US REGARDING THIS LETTER OF CREDIT, PLEASE DIRECT YOUR CORRESPONDENCE TO OUR OFFICE, MAKING SPECIFIC MENTION OF THE LETTER OF CREDIT NUMBER INDICATED ABOVE. FOR INQUIRIES YOU MAY CONTACT US AT 1-866-945-6284.

EXCEPT AS FAR AS OTHERWISE EXPRESSLY STATED HEREIN, THIS STANDBY LETTER OF CREDIT IS SUBJECT TO THE INTERNATIONAL STANDBY PRACTICES ("ISP98"), INTERNATIONAL CHAMBER OF COMMERCE, PUBLICATION NO. 590, AND AS TO MATTERS NOT GOVERNED BY THE ISP98, SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK AND APPLICABLE U.S. FEDERAL LAW.



AUTHORIZED SIGNATURE(S).
CITIBANK,N.A.