

LA SKY HARBOR, LLC



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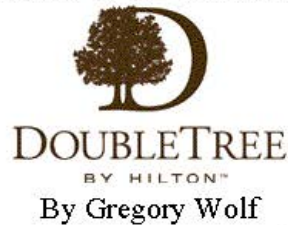
Harbor Department
Planning & Economic Development
Map Produced 11/2012



Product Improvement Plan

Prepared for:
Doubletree by Hilton
San Pedro, CA
(InnCode: LGBSP, Facility ID:41338)

2800 Via Cabrillo Marina, San Pedro, California, United States
To be relicensed as a Doubletree by Hilton



Inspection Date: Jun-20-2012

FINAL PIP REVISION DATE : Feb-08-2013 by Ron Wojcik

Brand Management Approval

Final PIP Approval Date : Feb-08-2013

Final FLA PIP Approval Signature :

PIP Contact

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Printed On: Feb-08-2013



Property Information

Open Date:	2006-08-15
Last Renovation:	2012: Pre-function area carpet and vinyl wall covering
Parking:	Surface: Asphalt
Pool (indoor or outdoor):	Outdoor
Whirlpool:	Outdoor
Hotel Van:	Courtesy Shuttle (2)
Number Floors:	3
Food Service Facilities:	Marina Bar & Grill
Meeting Space/total size:	16,000 SF consisting of one ballroom, seven meeting rooms and two boardrooms
Business Center:	Lobby desk
Exercise Room/Size:	Yes (Precor, 16'-0" x 24'-0")
Other Recreation:	Pool table (lobby)
Retail Outlets:	Gift Shop
Guest Laundry:	No
Number Of Guest Rooms:	226
Guest Room Size:	12'-6" x 15'-6" (Typical King)
Guest Room Mix:	
Typical King:	121
Typical D/D:	1
Typical Q/Q:	85
Single Queen:	6
King Suite:	10
King Junior Suite:	3
Guest Bathroom:	
Size:	6'-0" x 8'-0"
Door Width:	32" (pocket door)
Tub Surround:	4" tile; Roll-in shower available
Floor:	8" tile
Vanity:	Straight vanity (no furniture base) with stone top/apron and under-mount china bowl
Water Closet:	Tank-type with elongated bowl and closed-front seat
HVAC System:	
100% Makeup Air:	No
Public Areas:	Packaged units
Guestrooms:	Split system; Wall mounted thermostats in all guestrooms (about half are digital)
Elevators:	Three guest elevators (one at ballroom); two service elevators (one at ballroom)
High Speed Internet (wired or wireless):	
Public Areas:	Wireless (Stay Connected)
Meeting Space:	Wireless/Wired (Stay Connected)
Guestrooms:	Wired (Stay Connected)
Telephone System:	Two lines and two handsets in each room; Integrated with OnQ; Self-programmable wake-up

PLEASE NOTE: Key information about the terms and effectiveness of this Property Improvement Plan is set out at the end of the document.

General			
#	Active Date	Scope of Work	Finish Date
General			
1		Notice to owner: All hotels must comply with applicable local, state, and federal accessibility requirements. This PIP does not necessarily include any work that may be required for compliance with Title III of the Americans with Disabilities Act (ADA). In addition, if a Franchise Agreement or a Management Agreement for a hotel constructed for first occupancy after January 26th 1993 is executed after March 30th 2011, Hilton Worldwide will require the owner to conduct a self-survey (provided by Hilton Worldwide) of the hotel's guestrooms and parking for compliance with ADA Title III requirements. Any areas of non-compliance will need to be addressed within five to seven years (depending on the item in question) as a condition of the franchise or management agreement.	Per Brand Standards
General/Accessibility/Fire Safety Requirements			
#	Active Date	Scope of Work	Finish Date
General			
2		Design Approval Process - All scope of work identified in this PIP document requires a design review by DoubleTree by Hilton Brand Management. All architectural plans, design schemes, material specifications and professionally prepared color boards/renderings, must be submitted for formal review, comments and written approval prior to commencing work. See the DoubleTree by Hilton Design & Construction Manual for detailed specifications on all areas of this PIP document. All architectural and design plans submittals are required to be compiled by a licensed Architectural and/or licensed Interior Design Firm. Send materials to: Director of Design, DoubleTree by Hilton Global Design.	12 Months
Basic Standards Issues			
#	Active Date	Scope of Work	Finish Date
Structure			
3		General Design & Construction - Per DoubleTree by Hilton Design and Construction standards, hotels may not install tile over tile in any area of the hotel. The standards require the old tile to be completely removed and new tile installed. Hotels may not install wall vinyl over existing wall vinyl in any area of the hotel. The standards require the old wall vinyl to be completely removed and the new wall vinyl installed. The DoubleTree by Hilton brand and Quality Assurance will strictly enforce the above items.	12 Months
Technology			
4		High Speed Internet Access - Every DoubleTree by Hilton hotel must participate in the Hilton Worldwide High Speed Internet Access (HSIA) program "Stay Connected™". Complimentary wireless HSIA must be available in the lobby, prominent guest dining areas, lounge / bar, executive lounge and Connectivity Stations / Business Center. In addition, all Gold/Diamond members of Hilton HHonors must receive complimentary high-speed Internet access in the guest room (wired and wireless if available) for the Member and one additional guest or device."	12 Months
Signage			
#	Active Date	Scope of Work	Finish Date
Interior Signage			
5		Interior Signage - Remove all signage from doors (signage must be mounted on the wall adjacent to the strike side of the door).	18 Months

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Site			
#	Active Date	Scope of Work	Finish Date
Landscaping			
6		Landscaping - Renovate the landscaping, removing all dead/dying plant material around the perimeter of the parking lot/parking lot islands and trimming back all overgrown plants/grass. Replace all missing landscaping near the retail outlet.	12 Months
Parking			
7		Parking - Repair and repave all damaged/cracked parking and drive areas. Re-seal and re-stripe all parking and drive areas. Parking lot striping must be white, except where other colors are required for fire lanes, no parking zones, and accessibility. Repaint any curbing that is currently painted.	12 Months
8		Parking - Replace all damaged/crumbling concrete wheel stops.	12 Months
9		Parking - Replace all cracked, broken or heaving sections of concrete sidewalk (see especially along the front of the building and the Madeo Ballroom courtyard). Restore the faded decorative finish of all sidewalks (where applied).	12 Months
10		Dumpster/Storage Enclosures - Remove the chain link fencing around the dumpsters and around the storage area by the tennis courts. Install a permanent structure or structures matching the finishes of the main building. Remove all storage trailers.	12 Months
11		Service Area - Repaint the gates at the service area adjacent to the pool (repairs mismatched).	12 Months
Building Exterior			
#	Active Date	Scope of Work	Finish Date
Facade			
12		Facade - Replace all damaged fabric awnings (see especially at the Bosanka/Marina Rooms). New awnings must exactly match the existing awnings. If the awnings cannot be matched, replacement of all awnings will be required.	12 Months
13		Facade - Repair and repaint the rusted access panel and ventilation grill at the south side of the Madeo Building. Replace the damaged louvered service area doors at the east side of the Madeo building.	12 Months
Porte Cochere			
14		Porte Cochere - Restore the wood finish of the chipped/scarred bell stand to a "like new" condition. Replace all missing/damaged trim pieces.	12 Months
15		Porte Cochere - Remove all extension cords running from the porte cochere sconce lighting to the rope lighting around the palm trees. Wiring and/or wiring conduit must be concealed from guest view in all public areas of the hotel (to include the Madeo Room courtyard).	12 Months
Doors			
16		Exterior Doors - Professionally restore the finish of all secondary entrance doors and door frames to a "like new" condition using an electrostatic paint process (to include restaurant area doors, meeting room doors, entry gates at pool, etc.). Replace all worn/scarred door hardware.	12 Months
Windows			
17		Windows - Restore the finish of all faded window frames to a "like new" condition (see especially at the back side of the Terrasini Room, Food & Beverage office, Engineering office, etc.). Remove all oxidation, clean and re-caulk exterior frames and trim. If painting of the window frames is required, it must be professionally done using an electrostatic paint process.	12 Months
Public Areas			
#	Active Date	Scope of Work	Finish Date
Entrance/Lobby/Registration Area			

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18	Lobby - Conduct a full renovation of the lobby space to include: restoration of the worn stone tile flooring; replacement of all carpet and carpet pad and the installation of new carpet, tile, natural stone, wood or other approved flooring; replacement of all pink stone base, trim and low wall caps; replacement of all soft seating; restoration of all wood occasional table finishes to a "like new" condition; restoration or replacement of all brass railings; replacement of all wall sconce lighting. The lobby area must create a comfortable, secure and socially oriented atmosphere. Selected furnishings and finishes must enhance the overall décor in order to give the hotel the feel of casual elegance associated with quality upscale hotels. Submit architectural drawings, design specifications, color boards/renderings, to DoubleTree for review, comment, and approval prior to commencing work.	12 Months
19	Lobby - Replace the vinyl wall covering at the lobby level elevator landing (mismatched repairs).	12 Months
20	Registration Desk - Replace the registration desk. Provide a minimum of three registration workstations (based upon the number of guestrooms - 226). Workstations must be grouped together into units to allow circulation around each side of the unit. No more than two workstations are allowed within a single front desk unit. The front desk unit exterior finish must be natural wood, porcelain tile, marble, granite or decorative metal. Wood, wood edged, or laminate writing surfaces are not allowed.	12 Months
21	Registration Desk - Replace the wall treatment on the wall behind the registration desk. Install new wall covering or approved decorative wall treatment. Provide new, illuminated artwork. The use of cabinetry behind the front desk unit is not allowed.	12 Months
22	Registration Desk - Remove the mirrored wall panels across from the registration desk. Install new, updated wall finishes.	12 Months
Business Center		
23	Business Center - Restore all scarred wood cabinetry and counters to a "like new" condition. Install a cord management system to better conceal cords/cables from guest view.	12 Months
Retail Shop		
24	Gift Shop - Replace the carpet and carpet pad (worn). Install new carpet and carpet pad, porcelain tile (18"/45 cm minimum; rectangular shaped tiles permitted), natural stone, or approved alternative decorative hard surface flooring. Install new 6"/150 mm wood, tile, approved synthetic, or natural stone base.	12 Months
25	Gift Shop - Replace all laminate display cabinetry, display wall panels and the transaction counter. Install new, furniture quality cabinetry and approved countertops.	12 Months
Public Restrooms		
26	Public Restrooms (Bosanko/Marina) - A complete renovation of the public restroom is required. Renovation must include: replacement of the vinyl flooring with new porcelain tile (18"/45 cm minimum; rectangular shaped tiles permitted) or natural stone tile flooring and matching base; replacement of the vinyl wall covering; new ceiling finishes; replacement of the vanity (vanity skirt must conceal all under-counter plumbing, etc.); installation of a new under-mount sink; new touch-less electronic faucet; new automatic soap dispenser at the vanity bowl (reservoir must be below the counter and spout must extend beyond the edge of the vanity bowl); new automatic paper towel dispenser; a free-standing decorative trash receptacle; installation of artwork; installation of a baby changing station. The ceiling must be constructed of painted gypsum board. Acoustic tile ceiling is allowed, but must not exceed 30% of the total ceiling area. Acoustic ceiling tile must be 2'-0"/60 cm x 2'-0"/60 cm premium tile with tegular (reveal) edges.	12 Months
27	Public Restrooms (Fitness Center) - A renovation of the public restrooms is required. Renovation must include: replacement of the vinyl wall covering (visible patches); new touch-less electronic faucet; new automatic soap dispenser; removal of the recessed paper towel dispensers/trash receptacles and the installation of automated touch-less paper towel dispensers and free-standing decorative trash receptacles; installation of artwork; installation of a baby changing station; installation of a new, decorative lighting fixture (to include the fixture in the hall outside of the restrooms).	12 Months
28	Public Restrooms (Madeo Ballroom) - Renovate the restrooms to include: removal of the deadbolt at the entry doors (must not be operable from inside the restrooms); replacement of all stained/discolored ceiling tiles; replacement of all cracked lighting sconce lens covers; removal of the recessed paper towel dispensers/trash receptacles and install new automatic paper towel dispensers and free-standing decorative trash receptacles; installation of artwork within the restroom spaces and a decorative full length mirror near the entries; installation of a baby changing station in each restroom.	12 Months

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29	Public Restrooms (Pool) - A complete renovation of the pool restrooms is required. Renovation must include: replacement of the existing floor tile with new porcelain tile (18"/45 cm minimum; rectangular shaped tiles permitted) or natural stone tile flooring and matching base; replacement of the vinyl wall covering; replacement of all wall tile with new 12"/30 cm minimum tile to coordinate with the new floor tile; new touch-less electronic faucets; new automatic soap dispensers; installation of protective pipe wrap at all exposed vanity plumbing (missing in men's room); removal of the recessed paper towel dispensers/trash receptacles and the installation of automated touch-less paper towel dispensers and free-standing decorative trash receptacles; replacement of the toilet partitions and urinal partitions; installation of automatic flush valves at all toilets and urinals; installation of new artwork; installation of a baby changing station; installation of a new, decorative lighting fixtures.	12 Months
30	Public Restrooms (Terrasini) - A complete renovation of the public restroom is required. Renovation must include: replacement of the existing floor tile with new porcelain tile (18"/45 cm minimum; rectangular shaped tiles permitted) or natural stone tile flooring and matching base; replacement of the vinyl wall covering; replacement of all wall tile with new 12"/30 cm minimum tile to coordinate with the new floor tile; replacement of the vanity top and the installation of a new under-mount sink; new touch-less electronic faucet; new automatic soap dispenser at the vanity bowl (reservoir must be below the counter and spout must extend beyond the edge of the vanity bowl); new automatic paper towel dispenser; a free-standing decorative trash receptacle; installation of artwork; installation of a baby changing station; installation of a new, decorative lighting fixture; installation of a new exhaust fan (existing fan very noisy).	12 Months
31	Public Restrooms (Lobby Area) - A complete renovation of the lobby public restrooms is required. Renovation must include: replacement of all floor tile with new porcelain tile (18"/45 cm minimum; rectangular shaped tiles permitted) or natural stone tile and matching base; replacement of the vinyl wall covering; replacement of all wall tile with new 12"/30 cm minimum tile to coordinate with the new floor tile; replacement of the vanities; new touch-less electronic faucets; removal of the recessed paper towel dispensers/trash receptacles and the installation of automated touch-less paper towel dispensers and free-standing decorative trash receptacles; installation of new frameless and backlit or decoratively framed vanity mirrors; replacement of the vanity wall sconces with new, decorative fixtures; replacement of the toilet partitions and urinal partitions; installation of automatic flush valves at all toilets and urinals; installation of artwork; installation of a decorative full-length mirror near the entries; installation of a baby changing station; removal of the light switches and the installation of keyed switches or motion sensors.	12 Months

Food and Beverage Facilities

#	Active Date	Scope of Work	Finish Date
Lounge Facilities			
32		Lounge/Bar - A complete renovation of the bar/lounge is required. The renovation must include: the replacement of all existing carpet and carpet pad and the installation of new carpet, tile, natural stone, wood or other approved flooring; replacement of all pink stone base, trim and low wall caps; replacement of all barstools and wicker seating (existing banquette seating is acceptable); the installation of additional seating (seating count must equal 25% of the hotel key count); replacement of the lighting fixtures over the back bar and all wall sconces. The furnishings, finishes and lighting must provide a visually upscale and contemporary image. Submit all architectural plans, cuisine concept, design specifications and color boards, etc. to Hilton Worldwide for review, comments and approval.	12 Months
33		Lounge/Bar - Restore the worn finish of the bar front to a "like new" condition. Replace the back bar cabinetry. Install new cabinetry to coordinate with the bar front.	12 Months
34		Lounge/Bar - Provide a minimum of two (2) remote controlled, wall mounted flat panel televisions (42"/1.07 m minimum) at the bar area. They must be incorporated into the bar millwork, close to the ceiling, and have all power and cable cords concealed.	12 Months
35		Lounge/Bar - Restore the scarred wood finish of the pool table to a "like new" condition.	12 Months
Restaurant Facilities			

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36		Restaurant - A renovation of the restaurant is required. The renovation must include: the replacement of all existing carpet/carpet pad and tile and the installation of new carpet, tile, natural stone, wood or other approved flooring; replacement of all pink stone base, trim and low wall caps; the reupholstering of all dining chair fabrics; restoration of the wood finishes of all dining chairs to a "like new" condition (finish should closely match the table finish); installation of additional dining chairs and tables (seating count must equal 40% of the hotel key count); new buffets; new ceiling mounted lighting and sconces; replacement of the tile flooring at the server station; repair and repainting of all service station cabinetry. The interior décor of the restaurant shall create an environment traditionally associated with a top quality restaurant. Submit all architectural plans, cuisine concept, design specifications and color boards, etc. to Hilton Worldwide for review, comments and approval.	12 Months
37		Restaurant - Replace the clay tiles at the patio area (cracking; edge tiles missing; noticeable repair work). Install a new, approved flooring material.	12 Months
38		Restaurant - Repair and repaint all rusted railings at the patio area (to include the mesh gate).	12 Months
Kitchens			
39		Kitchen - (Madeo Ballroom) - Replace the cracked tile flooring in the lower and upper level kitchens (to include the tile behind the bar). Repair and repaint the walls at the upper level prep kitchen and replace all missing ceiling tiles.	12 Months
40		Kitchen - (Main) - Replace the tile flooring in the main kitchen (worn; cracked). Repair all damaged FRP wall treatment.	12 Months
41		Kitchen - (Main/Madeo Ballroom) - Install protective pipe wrap at all exposed hand sink plumbing.	12 Months
42		Kitchen (Terrasini) - Restore the painted finish of the prep kitchen flooring to a "like new" condition (worn/chipped).	12 Months
Meeting Spaces			
#	Active Date	Scope of Work	Finish Date
General			
43		Ballrooms/Meeting Rooms/Boardrooms - The primary entrance to the meeting facilities must have a digital, wall mounted event board. All meeting spaces must have electronic signage with the function room name and an integrated LCD display for information services.	24 Months
44		Ballrooms/Meeting Rooms/Boardrooms - Restore all entry and service area doors and door frames to a "like new" condition. Replace all worn/scarred door hardware.	24 Months
45		Ballrooms/Meeting Rooms/Boardrooms - Provide updated lighting controls in all meeting spaces per current DoubleTree by Hilton standards (electronic preset dimmer controls, etc.).	24 Months
Ballrooms			
46		Ballroom (Madeo) - Replace the carpet and carpet pad in the lower and upper levels of the Madeo Ballroom. Install new 6"/150 mm wood or natural stone base.	24 Months
47		Ballroom (Madeo) - Replace the tile flooring at the lower level of the Madeo Ballroom. Install new approved tile and matching base.	24 Months
48		Ballroom (Madeo) - Install vinyl wall covering at the lower level ballroom and stairwell (walls currently painted).	24 Months
49		Ballroom (Madeo) - Replace the stack chair seating (worn; torn). Seating must be stack type chairs or better, with padded seats and backs upholstered with commercial fabric. Chairs must have a flex back and stacking bars. Chair seat must be a minimum of 16"/40 cm wide x 22"/56 cm.	24 Months
50		Ballroom (Madeo) - Replace all window treatments in the lower and upper levels of the Madeo Ballroom. Install new window treatments meeting current DoubleTree by Hilton standards.	24 Months
51		Ballroom (Madeo) - Remove or replace the seating in the Madeo courtyard.	24 Months
52		Ballroom (Madeo) - Replace all chandeliers at the lower and upper levels (to include the bar area). Install new, updated, decorative lighting fixtures.	24 Months
53		Ballroom (Madeo) - Re-face the existing bar front. The bar front finish must be wood, tile, stone or other approved material. Restore all back-bar cabinetry to a "like new" condition. Replace the worn/tarnished foot rest. Bar counter footrests are to be brass, stainless steel, bronze, or equal quality material compatible with the interior design.	24 Months

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54	Ballroom (Madeo)- Remove all mirrored wall panels from the back bar and bar area columns. Install approved, updated finishes.	24 Months
55	Ballroom (Madeo) - Repair and repaint all scarred walls in the lower level of the Madeo Ballroom.	24 Months
56	Ballroom (Madeo) - Replace all damaged/bubbled window tinting at the south facing windows.	24 Months
57	Ballroom (Madeo) - Replace all bar stools at the lower level bar area (finishes mismatched; scarred).	24 Months
Meeting Room Pre-function		
58	Meeting Room Pre-Function (Lobby Area) - Remove the phone bank and repair the walls to a "like new" condition. Install house phones in the lobby soft seating areas as required in the brand standards.	24 Months
59	Meeting Room Pre-Function (Lobby Area) - Install the ATM within a furniture grade decorative cabinet.	24 Months
60	Meeting Room Pre-Function (Lobby Area) - Replace all mismatched ceiling tiles in the exit corridor next to the computer room. Replace the ceiling mounted lighting with new, updated fixtures (lens covers missing).	24 Months
61	Meeting Room Pre-Function (Bosanko/Marina) - Install new and additional soft seating groupings to serve as break out space. Restore the scarred wood finish of the console table to a "like new" condition.	24 Months
62	Meeting Room Pre-Function (Bosanko/Marina) - Repair all damaged and chipped laminate cabinetry in the service area/kitchen (doors misaligned; laminate chipped). Replace all stained and missing ceiling tiles.	24 Months
63	Meeting Room Pre-Function (Bosanko/Marina) - Replace all stained, discolored and/or mismatched ceiling tiles.	24 Months
64	Meeting Room Pre-Function (Bosanko/Marina) - Replace all stained/discolored and missing ceiling tiles within the service area/kitchen and adjacent storage room.	24 Months
Meeting Rooms		
65	Meeting Rooms (Santa Rosa/Portofino/Catalina) - Replace the carpet and carpet pad (worn). Restore all wood base and millwork to a "like new" condition.	24 Months
66	Meeting Rooms (Terrasini) - Professionally clean the carpet to remove all stains and discolorations. If stains cannot be removed, replacement will be required. Install new 6"/150 mm wood or natural stone base.	24 Months
67	Meeting Rooms (Marina) - Replace the carpet and carpet pad. Install new carpet to match that in the Bosanko Room.	24 Months
68	Meeting Rooms (Marina) - Replace the vinyl wall covering. Install new vinyl wall covering to match that in the Bosanko Room.	24 Months
69	Meeting Rooms (All) - Restore the wood finishes of all lecterns to a "like new" condition.	24 Months
70	Meeting Rooms (Marina) - Restore all tarnished brass handrails to a "like new" condition. Tighten the loose freestanding railing.	24 Months
71	Meeting Rooms (All) - Replace the worn/discolored stack chair seating. Seating must be stack type chairs or better, with padded seats and backs upholstered with commercial fabric. Chairs must have a flex back and stacking bars. Chair seat must be a minimum of 16"/40 cm wide x 22"/56 cm.	24 Months
72	Meeting Rooms (Portofino) - Replace the patio furnishings (painted finish chipped flaking on tables and chairs).	24 Months
73	Meeting Rooms (Portofino) - Restore the scarred closet doors to a "like new" condition. Replace the missing door hardware.	24 Months
74	Meeting Rooms (Santa Rosa/Portofino/Catalina) - Remove the plate glass mirrors at the service counters. Repair the walls to a "like new" condition. Install artwork or a framed mirror.	24 Months
75	Meeting Rooms (Santa Rosa/Portofino/Catalina/Terrasini) - Replace the window treatments. Install new window treatments meeting all current DoubleTree by Hilton standards.	24 Months
76	Meeting Rooms (Bosanko/Marina) - Replace the roller shade window treatments. Install new window treatments meeting all current DoubleTree by Hilton standards.	24 Months
77	Meeting Rooms (Portofino) - Replace the light lens covers and framework at the ceiling perimeter lighting. Install new, updated lens covers or remove the recessed lighting and install new can lighting.	24 Months
78	Meeting Rooms (Santa Rosa/Portofino/Catalina) - Remove all track lighting. Install new, updated lighting fixtures.	24 Months

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79		Meeting Rooms (Bosanko/Marina) - Install a tamper-proof one-way viewer looking into the function space at the entrance doors. Viewers must be mounted 5'-0" / 1.5 m above the finished floor.	24 Months
80		Meeting Rooms (Portofino) - Repair and repaint all rusted railings at the patio area. Badly rusted railings will require replacement.	24 Months
81		Meeting Rooms (Terrasini) - Remove the curtain wall concealing the meeting room storage area from the main meeting area. Construct a permanent storage room.	24 Months
82		Meeting Rooms (Terrasini) - Replace all stained/discolored, mismatched and/or missing ceiling tiles in the meeting room and storage room.	24 Months
Board Rooms			
83		Boardrooms - Replace the carpet and carpet pad. Restore all scarred wood base and chair/presentation rail to a "like new" condition.	24 Months
84		Boardrooms - Replace the boardroom tables. Provide a permanent conference table, seating a minimum of twelve people, with wood or stone table surfaces and edges. Glass or lacquer finish is not acceptable. Wood conference tables must be finished with a high-grade polyurethane finish. Power and data outlets must be integrated into the table top with all power cords, etc. completely concealed to a floor outlet.	24 Months
85		Boardrooms - Replace the window treatments. Install new window treatments meeting all current DoubleTree by Hilton standards.	24 Months
86		Boardrooms - Remove the plate glass mirrors at the service counter in Boardroom A. Repair the walls to a "like new" condition.	24 Months
87		Boardrooms - Install a minimum 52"/1.3 m wall mounted LCD television with connectivity to the MATV system and to a boardroom table connection.	24 Months
88		Boardrooms - Remove the existing projection screens.	24 Months
89		Boardrooms - Remove all track lighting. Install new, updated lighting fixtures.	24 Months
Recreational Areas			
#	Active Date	Scope of Work	Finish Date
Fitness Center			
90		Fitness Center - Replace the existing flooring. Install the brand approved ECOMax modular floor tiles throughout the fitness center and Expona wood-look flooring at the entry. Replace the cove base. Install new approved wood substitute base or better.	12 Months
91		Fitness Center - Remove the vinyl wall covering (scarred). Install approved wall finishes throughout the fitness center space (painted neutral and accent wall colors).	12 Months
92		Fitness Center - Install the required inflatable balance ball.	12 Months
93		Fitness Center - Restore the wood finish of the towel station to a "like new" condition.	12 Months
94		Fitness Center - Replace all damaged control buttons on the cardio equipment (incline, speed, etc.).	12 Months
95		Fitness Center - Conceal all cables/cords from guest view (cable by the treadmill is running from the ceiling to the cord management system).	12 Months
96		Fitness Center - Replace the light switches. Lights must be wired so as to remain on at all times or have a keyed switch.	12 Months
97		Fitness Center - Replace all damaged ceiling grid and all stained/discolored ceiling tiles.	12 Months
Pool Area			
98		Pool Area - Repair all cracks in the pool/whirlpool deck and restore the decorative treatment to a "like new" condition (faded in areas).	12 Months
99		Pool Area - Replace the pool and whirlpool coping (cracked in many areas).	12 Months
100		Pool Area - Replace all pool furniture (teak and metal furniture). Provide chaise lounges, tables and seating to accommodate a minimum of 20 people in the pool area. Chaise lounges and chairs must be sling back type; plastic straps must not be used. A minimum of three tables with umbrellas are required.	12 Months
101		Pool Area - Replace all damaged/cracked tile water depth and "No Diving" markings at the pool coping. Install "No Diving" markings adjacent to the depth markings on the inside rim of the pool perimeter. Lettering must be 4"/10.2 cm high. Painted, stenciled, and vinyl appliqué lettering is not allowed.	12 Months

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102		Pool Area - Replace the faded depth markings inside the whirlpool. Install hard tile water depth and "No Diving" markings in contrasting colors on the top of the whirlpool coping and on the inside rim of the whirlpool perimeter. Lettering must be 4"/10.2 cm high. Painted, stenciled, and vinyl appliqué lettering is not allowed.	12 Months
103		Pool Area - Replace all older (faded green) signage at the restrooms and building entrance.	12 Months
Other Recreational			
104		Tennis Courts - Repair and repaint all scarred, flaking and worn areas of the chain link fencing. Repair the damaged/flaking areas of the tennis court surface.	12 Months
105		Tennis Courts - Replace all damaged/torn wind screens.	12 Months
Back of House			
#	Active Date	Scope of Work	Finish Date
General			
106		General - Install protective shields, lens covers, or diffusers at all light fixtures (recessed and surface mounted) in back-of-house and public areas.	12 Months
Employee Break Room			
107		Employee Breakroom - Install a counter and cabinets to house the microwave, a coffee maker, a full size refrigerator, a two-compartment stainless steel sink and filtered water.	12 Months
108		Employee Breakroom - Replace the worn seating.	12 Months
Employee Restroom/Showers/Lockers			
109		Employee Restrooms - Replace the missing light shade in the men's restroom.	12 Months
Offices			
110		Administrative Offices (Food & Beverage) - Replace the carpet and carpet pad. Replace all stained, discolored or sagging ceiling tiles.	12 Months
111		Administrative Offices (Registration Area/Sales & Catering/Food & Beverage/Engineering) - Remove the mini-blinds at all exterior windows. Install two-inch wood blinds.	12 Months
112		Administrative Offices (PBX Room) - Replace the carpet.	12 Months
113		Administrative Offices (Sales & Catering) - Replace the worn entry door hardware.	12 Months
Main Laundry			
114		Laundry - Replace all damaged and/or missing vinyl tile flooring. Repair and repaint all damaged walls.	12 Months
Service Corridors			
115		Service Corridors - Replace the damaged vinyl tile flooring between the kitchen and laundry areas (near the ice machine).	18 Months
116		Service Corridors - Restore the painted flooring at the service elevator landings (chipped, pitted).	18 Months
Guest Support			
#	Active Date	Scope of Work	Finish Date
Vending			
117		Vending Areas - Remove the old door frames and install cased openings at all vending areas.	18 Months
118		Vending Areas - Replace the ceiling mounted lighting. Install new, updated decorative lighting fixtures.	18 Months
Circulation Areas			
#	Active Date	Scope of Work	Finish Date

EXHIBIT A

Corridors			
119		Corridors - Replace the carpet and carpet pad (to include the lobby stair and stairwell #2). Install new 4"/100 mm wood or approved synthetic base.	18 Months
120		Corridors - Replace the vinyl wall covering. Install new full height corner guards on all outside corners in the corridors. The corner guards shall be colored opaque plastic to match the wall color and must be adhesive mounted. Clear or screw attached corner guards are not acceptable. Corner guard flanges must be a maximum width of 1"/25 mm.	18 Months
121		Corridors - Install new DoubleTree Hilton approved window treatments at all corridor windows.	18 Months
122		Corridors - Install artwork positioned appropriately down the corridor. Artwork should be of a nature that reflects the geographic area or local artists.	18 Months
123		Corridors - Replace all cracked wall sconce lens covers. If matching lens covers cannot be found, replacement of the wall sconces will be required.	18 Months
124		Corridors - Repair all damaged/chipped laminate at the guestroom entry and service area/fire doors.	18 Months
125		Corridors - Repair and repaint all damaged areas of the corridor ceilings to a "like new" condition (many visible patches from high-speed internet installation).	18 Months
Elevator Lobbies			
126		Elevator Lobbies - Install a new seating group and console table at each elevator landing. Provide a house phone. Console table must conceal all telephone and/or lamp cords. Install new artwork or mirror above the console table. Provide a decorative trash urn.	18 Months
Elevators			
127		Elevators (Guest Tower) - A renovation of the elevator is required. Renovation must include: restoration of the floor tile grout to a "like new" condition; new decorative ceiling panels and lighting (egg-crate lighting not allowed). All controls, signals and stainless steel doors are to be in "like new" condition.	18 Months
128		Elevators (Madeo Ballroom) - A complete renovation of the elevator is required. Renovation must include: removal of the vinyl tile flooring and the installation of new natural stone or other approved decorative hard surface flooring; restoration of all interior wall panels; restoration of all brass handrails; new decorative ceiling panels and lighting (egg-crate lighting not allowed). All controls, signals and stainless steel doors are to be in "like new" condition or replaced.	18 Months
129		Elevators - Install "In Case of Fire, Use Stairs..." signage within the elevator cabs. Signage must match the corridor sign package.	18 Months
Stairwells			
130		Stairwells - Repair and repaint all chipped railings in stairwell #2.	18 Months
131		Stairwells - Repair and repaint all scarred/chipped flooring in stairwells #1, #3 and #4.	18 Months
132		Stairwells - Replace the ceiling mounted lighting in stairwell #2. Install new, updated decorative lighting fixtures.	18 Months
Guest Rooms			
#	Active Date	Scope of Work	Finish Date
Guest Rooms			
133		Guestrooms - A complete renovation of all guestroom and parlor area soft goods is required. Renovation must include: replacement of carpet and carpet pad (a natural stone or quartz composite threshold is required at entry, bath, and connecting doors); installation of new carpet, wood or approved alternative base; refinishing of all case good pieces to a "like new" condition; replacement of all soft seating; replacement of all desk chairs; replacement of all dining chairs; replacement of all window treatments (fabric valances or cornices are not allowed - an architectural detail such as a window pocket, soffit, crown molding, etc., which conceals the drapery hardware is required).	18 Months
134		Guestrooms - Replace all worn/tarnished auxiliary door lock/latches at guestroom and connecting doors. Ensure that lever handle door hardware is installed at all connecting doors (e.g. room #257). Ensure that all hardware is of the same finish (some mismatched).	18 Months
135		Guestrooms - Replace the existing mirrored closet doors. Install new standard swing doors. Mirrored, bi-fold, bypass, and fabric type folding (accordion) doors are not acceptable.	18 Months

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EXHIBIT A

136	Guestrooms - Install a full length mirror with a minimum exposed glass measurement of at least 15"/37.5 cm wide and 60"/1.5 m high. Mirror must be located near the dressing area or closet. A mirror mounted on the back of the bathroom or closet door is acceptable. If wall-mounted, the mirror must be framed.	18 Months
137	Guestrooms - Replace all white appliances at wet bars in suites. All appliances must be black or stainless steel in color. Replace all acrylic knobbed faucets with new single or dual lever-handled faucets.	18 Months
138	Guestrooms - Provide a dedicated area for coffee/tea service outside of the bathroom. Provide one of the following options for the proper presentation of the coffee maker and coffee accessories: a) A minimum 66"/1.68 m wide television chest for the coffee service to be placed next to the LCD television b) A dedicated, pull out, water tight drawer in the television chest with accessible power c) A separate location with a wet bar area and counter space with accessible power d) If a mini bar or refrigerator are encased in a separate case good, the coffee service can be placed on top.	18 Months
139	Guestrooms - Install the DoubleTree by Hilton "Sweet Dreams" bedding program in all guestrooms and suites. This bedding program includes: jumbo down pillows (4 per full/queen bed and 5 per king bed) with each pillow stacked upright against the headboard; one (1) "Sweet Dreams" signature euro-style pillow with embroidered pillow case presented in front of jumbo down pillows; a "Super Topper" mattress pad. For the top of the bed, hotels must provide either: • A white duvet cover with a "fully washable" decorative runner (22" wide) at the foot of the bed • or, triple sheeting with Down Dreams comforter inserted within the triple sheeting and a "fully washable" separate double-sided decorative scarf (22" wide). See DoubleTree by Hilton Brand Management for specifications and ordering requirements for the "Sweet Dreams" bedding program. The "Sweet Dreams" bed experience is a proprietary product and must be directly ordered from or sourced through Hilton Supply Management.	18 Months
140	Guestrooms - Replace the light switch. Install an illuminated wall switch immediately adjacent to the entrance door.	18 Months
141	Guestrooms - Replace the nightstand lamps. One non-switched duplex outlet is required at each bedside surface. Light fixtures with outlets in the base satisfy this requirement. Outlets are not allowed in wall-hung light fixtures at the bedside surface.	18 Months
142	Guestrooms - Replace all older (Mitsubishi) HVAC units in the guestrooms. Install units equivalent to the newer Samsung units (digital thermostats, etc.).	18 Months
143	Guestrooms - Install a battery powered safe in all guestrooms. Specifications can be found in the DoubleTree by Hilton Operations Standards.	18 Months
144	Guestrooms - Replace all guestroom patio seating. Install new sling-type seating.	18 Months
Guest Bathrooms		
145	Guest Bathrooms - A complete renovation of the guest bathrooms is required. Renovation must include: restoration of all entry doors to a "like new" condition and replacement of all worn door hardware; installation of new floor tile (16 /40 cm x 16 /40 cm or 12 /30.5 cm x 18 /45 cm minimum) and matching base; replacement of the vinyl wall covering; replacement of the vanity tops and the installation of new vanity bases; replacement of the vanity mirrors; installation of new decorative lighting fixtures at the vanity; installation of a vapor-resistant ceiling mounted lighting fixture over the tub/shower area; replacement of the tub surrounds (12 /30 cm x 12 /30 cm minimum; rectangular shaped tiles allowed); replacement of all vanity and tub chrome; refinishing of tub bottoms using an approved vendor and process; installation of artwork above the toilet.	18 Months
146	Guest Bathrooms - In King bedded guestrooms a shower in lieu of a combination bathtub/shower is required. Remove the existing tub/shower unit and surrounds and construct new shower stalls. Shower enclosures must be frameless clear glass with a frameless hinged door, or a 3/8"/9.5 mm clear glass, frameless bypass shower door approved by Hilton Worldwide. Locate glazing flush with outside face of shower pan curb. Doors must be 74"/1.88 m high minimum. Install a soap dish in the corner on the showerhead wall 48"/1.2 m above the finished floor. Install a footrest in the corner opposite the showerhead on the back wall 15"/38 cm above the finished floor.	18 Months
147	Guest Bathrooms - Install two soap dishes in all bathtub/shower combos. Soap dishes must not have grab handles and must not be metal or plastic. A soap dish must be placed in the corner on the showerhead wall, 48"/1.2 m above the finished floor, with a bathtub height soap dish centered on the back wall 24"/61 cm above the finished floor. Bathtubs or showers with multiple grab bars required by the local jurisdiction may adjust soap dish locations as needed.	18 Months

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148	Guest Bathrooms - A grab bar is required in all bathtub/shower combos and in all shower stalls. A decorative chrome or stainless steel grab bar 24"/60 cm in length must be installed vertically on the bathtub wall, 21"/52.5 cm from the showerhead wall at bathtubs and 13"/33 cm from the showerhead wall at showers, with the bottom flange of the grab bar 30"/76 cm above the finished floor.	18 Months
149	Guest Bathrooms - In accessible guestroom baths, install a typical guest bathroom shower head at the standard height (installed in some, but not all accessible rooms). Additionally, install a diverter valve and an additional bathtub/shower showerhead on a flexible hose mounted on a chrome riser permitting height adjustments from 42"/1.07 m - 72"/1.83 m above the finished floor.	18 Months
150	Guest Bathrooms - Remove the towel racks from above the toilet. Towel storage must be incorporated into the vanity area to accommodate the brand terry program. Towels must not be stored over the water closet or in the bathtub/shower area.	18 Months
151	Guest Bathrooms - Replace the existing vanities. Install new vanity bases with a decorative/case good appearance and a drawer or cubby for hair dryer storage. Towel storage must also be incorporated into the vanity area to accommodate the brand terry program. Towels must not be stored over the water closet or in the bathtub/shower area. Vanity tops must be a minimum 3/4"/19 mm thick granite, stone, glass (semi-frosted underneath), or approved alternative and be stain resistant. All tops must have a 4"/100 mm backsplash.	18 Months
152	Guest Bathrooms - An 18"/45 cm towel bar or 6"/150 mm towel ring must be installed immediately adjacent to the vanity. Towel bar/ring is not allowed over the water closet. The towel bar may be mounted on the face of the vanity.	18 Months

The improvements identified in this property improvement plan ("PIP") relevant to the brand specified on the cover page of this PIP ("Brand") are based on conditions at the hotel existing on the Inspection Date specified on the cover page of this PIP ("Inspection Date"). This PIP and any specified waivers of relevant brand standards are only effective for the purpose of incorporation by reference into a fully executed and dated agreement relating to the implementation of the PIP ("Relevant Agreement") with the affiliate entity of Hilton Worldwide, Inc. that is party to such Relevant Agreement ("Hilton"), if such Relevant Agreement is entered into within 180 calendar days of the Inspection Date. In the event that a Relevant Agreement is not entered into within 180 calendar days of the Inspection Date, an updated PIP may be required (in Hilton's absolute discretion). The preparation and/or supply of this PIP shall not obligate Hilton (or any affiliate of Hilton) to enter into any Relevant Agreement (including, but not limited to, a franchise agreement or a management agreement).

This PIP review is limited to aesthetic and functional layout and design, and certain functional, operational and quality criteria as specified by Hilton. It does not encompass, and Hilton does not make any representation or warranty as to, nor shall Hilton be responsible for, the architectural, structural, mechanical, or electrical adequacy, accessibility requirements or other compliance with applicable government or other legal requirements. Compliance is required with brand standards (including the fire safety and security equipment standards specified by Hilton), all applicable local, state and federal building codes, any legally mandated accessibility requirements and all other legal requirements. Accordingly, Hilton recommends that its counterparty(ies) engage an appropriate professional team and legal counsel to advise on such compliance. Any omission in this PIP report does not constitute a waiver of such requirements and does not release any obligation in any Relevant Agreement to conform to brand standards. Nothing in this PIP is intended to modify the terms of any Relevant Agreement to which it may be attached and/or incorporated by reference. In the event of any conflict of the terms, the terms of the Relevant Agreement are the terms that prevail.

The works set out in this PIP are required to be completed by the specified "Finish Date". All "Finish Dates" that are a specified number of months or days shall mean the number of months or days from the date of the Relevant Agreement into which the PIP is incorporated by reference.

EXHIBIT A

RECORDING REQUESTED BY

AND WHEN RECORDED MAIL TO:

Industrial and Commercial Bank of China (USA) NA
Attn: Loan Dept.
388 East Valley Boulevard, Suite 118
Alhambra, CA 91801

SPACE ABOVE FOR RECORDER'S USE

EXEMPT FROM RECORDING FEES PURSUANT TO CALIFORNIA GOVERNMENT CODE SECTION 27383

CONSENT TO HYPOTHECATION OF PERMIT NO. 520

THIS CONSENT TO HYPOTHECATION OF PERMIT NO. 520 ("Consent") is made as of this 3rd day of June, 2013, by and between INDUSTRIAL AND COMMERCIAL BANK OF CHINA (USA) NA ("Lender") and THE CITY OF LOS ANGELES, acting by and through its Board of Harbor Commissioners ("City").

WHEREAS, the City is owner of certain real property located in the County of Los Angeles, State of California, as more particularly described in Exhibit A attached hereto and incorporated herein by this reference (the "Premises");

WHEREAS, the City is a party (lessor) under that certain real property Permit No. 520 ("Permit No. 520" or "Agreement") dated September 3, 1987 by and between City and original permittee, California Coast Development Group, Inc., which Permit has been subsequently assigned and amended, as described in further detail in Exhibit B attached hereto and incorporated herein by this reference. (All references herein to the Agreement refer to the Agreement, as assigned and amended.) On or about February 27, 2013, Permit No. 520 was assigned to LA SKY HARBOR, LLC ("Tenant") by means of a written Assignment and Assumption of Permit No. 520 and Consent Thereto, recorded in the Official Records of Los Angeles County, State of California on April 15, 2013 as Instrument No. 20130554953;

WHEREAS, pursuant to a written Business Loan Agreement dated _____, 2013, ("Credit Agreement") by and between Tenant and Lender, Lender has made or will make a Loan (the "Loan") with a two year term subject to modification or extension to Tenant for the purpose of remodeling the Premises, among other things. Payment of the Loan will be secured by, among other things, a deed of trust, assignment of rents and leases, security Agreement and fixture filing, and certain related instruments (collectively, the "Deed of Trust") encumbering Tenant's entire estate, right, title, and interest in the Agreement and the Premises; and

WHEREAS, the Lender has requested that, as a condition to accepting the Deed of Trust, the City execute and deliver this Consent to Lender.

NOW, THEREFORE, in consideration of the foregoing promises and for good and for valuable consideration, receipt of which is hereby conclusively acknowledged, the parties hereto mutually covenant and agree as follows:

1. The City hereby consents to the hypothecation of Tenant's estate, right, title and interest in the Agreement and Premises by the Deed of Trust. Notwithstanding anything contained in the Agreement to the contrary, (a) the appointment of a receiver for Tenant's property by Lender or the exercise of similar remedies by Lender regarding the interest of Tenant under the Agreement or the levy upon Tenant's effects by Lender regarding the interest of Tenant under the Agreement or the levy upon Tenant's effects by Lender will not constitute a default by Tenant under the Agreement, and (b) any transfer of Tenant's interest under the Agreement or in the Premises through foreclosure of the Deed of Trust by Lender's exercise of any power of sale under the Deed of Trust, or any similar action or action in lieu thereof, shall be permitted by the Agreement without any requirement that the City consent thereto; provided, however, that notwithstanding anything contained herein to the contrary, any successor tenant to Tenant other than Lender or a Lender Party (defined in Section 9 below) shall be subject to the approval of the Board of Harbor Commissioners, City of Los Angeles (the "Board") (as and to the extent required pursuant to Section 10 of the Agreement) which approval shall not be unreasonably withheld or delayed. If the Lender (or a Lender Party) shall acquire title to Tenant's interest in the Agreement and the Premises, Lender (or such Lender Party) shall acquire title to Tenant's interest in the Agreement and Premises, Lender (or such Lender Party) shall be entitled to assign the Agreement to a third party, subject to the approval (not to be unreasonably withheld or delayed) of the Board pursuant to Section 10(a) of the Agreement, satisfactory to the City, acting reasonably, and upon such Assignment Lender (and such Lender Party) shall be relieved of all liability under the Agreement and this Consent.

2. The City hereby represents that (a) the Agreement is unmodified (except as shown in Exhibit B) and is in full force and effect, (b) the current fixed minimum monthly rental payable under the Agreement is \$14,227, (c) all rents and other sums payable by Tenant under the Agreement have been paid through May 1, 2013; (d) the term of the Agreement, as provided in the Sixth Amendment thereto, expires on December 12, 2046; and (e) neither Tenant nor City is in default under any of the terms covenants or conditions contained in the Agreement nor has any event occurred which would, with the passage of time, or giving of notice, or both, constitute a default under any of the terms, covenants, or conditions contained in the Agreement.

3. The City hereby agrees that until the time, if any, that the obligations secured by the Deed of Trust shall be satisfied or Lender shall give the City written notice that the obligations secured by the Deed of Trust has been satisfied:

(a) Except as provided in Section 6 thereof (Default and Termination), no cancellation, surrender, acceptance of surrender or modification of the Agreement (except for rental modification as provided in the Agreement) shall be binding upon Lender or affect the lien of the Deed of Trust, without the prior written consent of Lender.

(b) No notice, demand, election or other communication required or permitted to be given under the Agreement (all of the foregoing hereinafter in this Section 3(b) collectively being referred to as "notices", and each of them, as a "notice") which shall be given by City to Tenant shall be binding upon or affect Lender, unless a copy of said notice shall be given to Lender within the time when such notice shall be required or permitted to be given to Tenant. In the case of an assignment of the Deed of Trust or change in address of Lender, the assignee thereof or Lender, by notice to City, may change the address to which copies of notices are to be sent as herein provided. All notices and copies of notices to be given to Lender as provided in this Section 3(b) shall be given in the same manner as is provided in the Agreement in respect of notices to be given by City or Tenant.

(c) Lender shall have the right to perform any term, covenant, condition or agreement and to remedy any default by Tenant under the Agreement, and the City shall accept such performance by Lender with the same force and effect as if furnished by Tenant;

(d) If the City shall give a notice of default to Tenant pursuant to the provisions of Section 6 of the Agreement, and if such default shall not be remedied within the applicable grace period provided for in such Section 6, and the City shall thereby, or otherwise, become entitled to terminate the Agreement or declare the Agreement forfeited, then before terminating the Agreement or declaring it forfeited, the City shall give to Lender not less than thirty (30) days additional written notice of the default, and shall allow Lender such additional thirty (30) days' within which to cure the default; provided, however, that if Lender elects to cure such default, Lender shall cure the nonpayment of percentage rent pursuant to Section 4 of the Agreement only to the extent that such percentage rent is ascertainable and then only at such time as the amount of such percentage rent shall be ascertained in accordance with generally accepted accounting principles. The rights of Lender under this Section 3(d) are in addition to such rights as are given to Lender under Section 3(e) hereof or otherwise provided in this Consent.

(e) In case of a default by Tenant in the performance or observance of any term, covenant, condition or agreement on Tenant's part to be performed under the Agreement, if the City shall not elect to terminate the Agreement or declare it forfeited pursuant to Section 6, and shall instead bring a proceeding to dispossess Tenant and/or other occupants of the Premises or to re-enter the Premises or to terminate the Agreement, by reason of such default, pursuant to any statute now or hereafter enacted, then the City shall, before commencing such proceeding, give to Lender thirty (30) days' written notice of such default and shall allow Lender such thirty (30) day period within which to cure said default. The rights of Lender under this Section 3(e) are in addition to such rights as are given to Lender under Section 3(g) hereof or otherwise provided in this Consent.

(f) Tenant may delegate irrevocably to Lender the authority to exercise any or all of Tenant's rights under this Agreement. Any provision of the Agreement or the Deed of Trust which gives to Lender the privilege of exercising a particular right of Tenant under the Agreement if Tenant has failed to exercise such right shall not be deemed to diminish any right or privilege which Lender may have (i) under this Consent, or (ii) by virtue of any such delegation of authority from Tenant to exercise its rights without regard to whether or not Tenant has failed to exercise such right.

(g) In case of a default by Tenant in the performance or observance of any term, covenant, condition or agreement on Tenant's part to be performed under the Agreement, other than a term, covenant, condition or agreement requiring the payment of a sum of money, if such default is of such a nature that the same cannot practicably be cured by Lender without taking possession of the Premises, then the City shall not terminate the leasehold estate of Tenant thereunder or declare the same forfeited by reason of such default, if and so long as:

Lender is within 30 days' notice of the default, proceeding expeditiously to obtain possession of the Premises as Mortgagee (through the appointment of a receiver, foreclosure or otherwise) without any extensions or forbearances granted by Lender, and upon obtaining possession, shall promptly commence and duly prosecute to completion such action as may be necessary to cure such default.

Lender shall not be required to continue to proceed to obtain possession, or to continue in possession as mortgagee, of the Premises if and when such default shall be cured. Nothing herein shall preclude the City from exercising any of its rights or remedies with respect to any other default by Tenant during any period when the City shall be forbearing termination of the Agreement as above provided, but in such event Lender shall have all of the rights and protections provided in this Consent.

(h) If Lender, or a Lender Party, or a purchaser at a foreclosure sale (which purchaser shall become Tenant under the Agreement), shall acquire title to Tenant's leasehold estate in the Premises, and shall cure all defaults of Tenant under the Agreement which can be cured by Lender, or by such purchaser, as the case may be, then the defaults of any prior holder of Tenant's leasehold estate under the Agreement which cannot be cured by Lender (or by such purchaser) shall no longer be deemed to be defaults under the Agreement on a going-forward basis, although City's rights against Tenant shall not be released.

(i) If The Agreement is disaffirmed or rejected in a bankruptcy proceeding affecting Tenant, and if within thirty (30) days after such termination, disaffirmation, or rejection, Lender by written notice to City, shall request the City to execute an amendment to the Agreement (a "Lender Amendment") on the same terms as the Agreement naming Lender or a Lender Party designated by Lender as tenant thereunder, then the City shall, within thirty (30) days after the giving of such written notice by Lender, enter into such Lender Amendment with Lender or such Lender Party, after approval by the Board of Harbor of Harbor Commissioners and any and all other required City approvals. Simultaneously with the giving of a notice pursuant to this Section 3(i), Lender (or a Lender Party designated by Lender) shall deliver to the City a written instrument agreeing to cure all defaults of Tenant under the Agreement (other than defaults which cannot be cured). The Agreement, after such amendment shall be upon all of the terms, covenants, conditions, conditional limitations and agreements contained therein which were in force and effect immediately prior to the termination, disaffirmation, or rejection of the Agreement, subject to the modifications to the Agreement set forth in this Consent. Simultaneously, with the delivery of the Lender Amendment, Lender (or such Lender Party) shall pay to the City all rent and other sums due and unpaid under the Agreement as of the date of termination, disaffirmance or rejection of the Agreement. Simultaneously therewith, the City shall pay over to Lender, any rentals, less costs and expenses of collection, received by the City between the date of termination, disaffirmance or rejection of the Agreement and the date of execution of such Lender Amendment, from subtenants or other occupants of the Premises which theretofore have not been applied by the City towards the payment of rent or any other sum of money payable by Tenant thereunder or towards the cost of operating the Premises or performing the obligations of Tenant under the Agreement.

If Lender exercises its right to obtain a Lender Amendment pursuant to this Section 3(i), but shall fail to comply with the other provisions of this Section 3(i), then Lender shall have no further rights under this Section 3(i). However, if Lender executes such Lender Amendment, then Lender (or such Lender Party) shall be entitled to assign the Agreement to a third party, subject to the approval of the Board under Section 10(a) of the Agreement, which approval shall not be unreasonably withheld or delayed, and

upon such assignment Lender (and such Lender Party) shall be relieved of all liability under the Agreement.

For the purpose of Lender's rights under this Section 3(i), Lender shall be deemed to have a non-recourse interest in the Agreement which shall be unaffected by such termination or disaffirmance and upon such termination or disaffirmance, the Agreement and this Consent, as between the City and Lender, shall be deemed to continue in full force and effect.

(j) If the City shall finance its interest in the Premises or otherwise cause or permit any deed of trust to be recorded against its fee title to the Premises or its reversionary interest therein, such deed of trust shall be expressly made subject and subordinate to the Agreement, any Lender Amendment, the leasehold estate(s) created thereunder and all rights of Tenant and Lender set forth herein and therein. Notwithstanding the foregoing, this Section 3(i) shall not for any purpose effect a subordination of the fee or reversionary interests in the Premises held by the City or the Board.

4. The City confirms that for purposes of Section 4(j) of the Agreement, business activities on the Premises shall be deemed reasonable if the hotel is conducted consistent with the requirements of Section 5(b) of the Permit as provided in the Eighth Amendment to the Permit which provides, in pertinent part, "Tenant agrees to operate the hotel on the Premises as a Doubletree by Hilton or other hotel of similar or better quality as determined by City's Executive Director or his or her designee in his or her sole reasonable discretion."

5. So long as the Deed of Trust affects the Premises, or if Lender, a Lender Party or any purchaser at foreclosure (or by deed in lieu thereof or by transfer in connection with any bankruptcy or similar proceeding) shall acquire Tenant's interest in the Premises, the City agrees that if any court of competent jurisdiction shall render a decision which has become final that prevents the performance by the City of any of its obligations under the Agreement, the rights and obligations of Tenant and the City shall be determined in accordance with the provisions of applicable law (and the provisions of Section 6(c) of the Agreement to the contrary shall be of no effect).

6. So long as the Deed of Trust shall affect the Premises and the Lender retains its right to cure any defaults in the Agreement as provided for in the Agreement or this Consent, the fee title to the Premises and the leasehold estate therein created pursuant to the Agreement shall not merge but shall always be kept separate and distinct, notwithstanding the union of such estates in the City, Tenant or any other person or entity by purchase, operation of law or otherwise.

7. Notwithstanding anything contained in the Agreement to the contrary, the City warrants and represents that to the best of its knowledge:

(a) With respect to Section 2(b)(2) of the Agreement, there are no unrecorded rights-of-way for streets and highways or for railroads and other means of transportation affecting the Premises or any part thereof.

(b) With respect to Section 2(b)(3) of the Agreement, there are no exceptions, reservations, grants, easements, leases or license except those which appear of record in the Office of the Los Angeles County Recorder;

(c) Tenant's proposed use and development of the Premises is consistent with and will not violate, the State Tidelands Grant and Shipping Act as defined in Sections 5(d) and (e) of the Agreement.

(d) The constructions obligations described in Section 7(i) of the Agreement have been fully performed by Tenant's predecessor-in-interest in compliance with the terms and conditions of the Agreement.

8. The City will deliver to Lender an estoppel certificate within twenty (20) days after Lender's request. The estoppel certificate will certify, subject to any applicable exceptions, that the Agreement is in full force and effect, will identify any modifications to the Agreement, will indicate whether, to the knowledge of City by its Director of Real Estate, any default then exists under the Agreement, and will contain such other information as a prospective assignee of Tenant's interest under the Agreement or a prospective leasehold mortgagee would reasonably request as provided in Section 11(r) of the Agreement.

9. The term "Lender Party" means Lender, its successors and assigns approved by the Board under Section 10(a), and their respective affiliates, nominees or designees.

10. Notwithstanding anything contained in the Agreement to the contrary, wherever in the Agreement the consent or approval of the City or the Board is required, such consent or approval shall not be unreasonably withheld or delayed.

11. Any notices sent to the City shall, until further notice, be addressed as follows:

The City of Los Angeles
Board of Harbor Commissioners
425 South Palos Verdes Street
San Pedro, California 90731
Attention: Office of City Attorney

12. Any notices sent to Lender shall, until further notice, be addressed as follows:

Industrial and Commercial Bank of China (USA) NA
Attn: Loan Department
388 Valley Boulevard
Suite 118
Alhambra, CA 91801

With a copy to:
Roger Yuen, Esq.
Jung & Yuen, LLP
888 S. Figueroa Street, #720
Los Angeles, CA 90017

13. This Consent may not be modified except by an agreement in writing signed by the City and Lender or their respective successors-in-interest. This Consent shall inure to the benefit of and be binding upon the City and Lender, and their respective heirs, representatives, successors and assigns.

14. This Consent shall be recorded in the Official Records of the County of Los Angeles.

15. The City understands that Lender will be accepting the Deed of Trust in reliance upon the truth of the statements made by the City in this Consent.

IN WITNESS WHEREOF, the parties have executed this Consent by their respective duly authorized representatives.

CITY

THE CITY OF LOS ANGELES, by its
Board of Harbor Commissioners

Dated: _____

By _____
Executive Director

Attest: _____
Secretary


APPROVED AS TO FORM AND LEGALITY


June 7, 2013
CARMEN A. TRUTANICH, City Attorney
Janna B. Sidley, General Counsel

By: 
Estelle M. Braaf, Deputy

LENDER

INDUSTRIAL AND COMMERCIAL
BANK OF CHINA (USA) NA

By: 
AUSEWEEUNG-EE
VP
Print Name and Title of Officer

By: 
Alice Gao, SVP
Print Name and Title of Officer

TENANT'S CONSENT

The undersigned hereby consents to the execution of this Consent to Hypothecation of Permit No. 520, as amended and assigned, and agrees to be bound by all of the terms covenants, conditions and provisions hereof.

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[signature on next page]

State of California
County of Los Angeles

On June 3, 2013 before me, Betty Ho, a Notary Public, personally appeared Alice Gao and Alise Weeding-Lee 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.



Signature Betty Ho (Seal)

OPTIONAL INFORMATION

Law does not require the information below. This information could be of great value to any person (s) relying on this document and could prevent fraudulent and/or the reattachment of this document to an unauthorized document (s)

DESCRIPTION OF ATTACHED DOCUMENT

Title or Type of Document: Consent To Hypothecation of Permit No. 528

Document Date: June 3, 2013

Number of Pages: _____

Signer's Name _____ Signer's Title (s) _____

TENANT

LA SKY HARBOR, LLC,
a California limited liability company

By: Sky Harbor Management, LLC,
a California limited liability company
Its Manager

By CATIC dba AVIC INTERNATIONAL
AVSTAR LLC, a California limited liability company Its Member USA

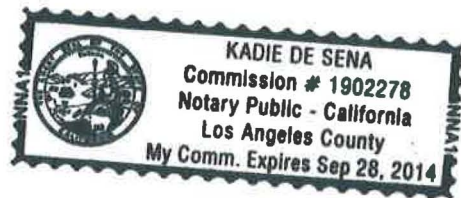
By [Signature]
Xuming Zhang President
Print Name and Title of Officer

Attest [Signature]
Ming Yang C.F.O
Print Name and Title of Officer

By ASAP HOTEL INTERNATIONAL LLC, a
California limited liability company, Its
Member

By [Signature]
FRANK YUAN, MEMBER /
Print Name and Title of Officer MANAGER

Attest [Signature]
KADIE DE SENA Notary Public
Print Name and Title of Officer



ACKNOWLEDGMENT

State of California
County of Los Angeles

On (June) 04-2013 before me, Kadie De Sena Notary Public
(insert name and title of the officer)

personally appeared Mr. Zhang, Mr. Yang (See below)*
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.

Signature Kadie De Sena (Seal)



* This is Duplication for Post Authority (City of Los Angeles) who
require/request original document; not copy. Prior document
was made June 03, 2013. K.D.



(2) of (2)

EXHIBIT A

LEGAL DESCRIPTION

The land referred to below is in the State of California, County of Los Angeles, and is described as follows:

All that portion of those certain tidelands and submerged lands, in the City of Los Angeles, with in the Rancho los Palos Verdes, inner bay of San Pedro, and Pacific Ocean as per map recorded in book 2 pages 543 to 545 inclusive of patents, in the office of the county recorder of said county, bounded and described as follows:

Commencing at the intersection of the centerline of Pacific Avenue, 100 feet wide, with the centerline of Thirty-Seventh Street, 70 feet wide, as said streets are shown on map of Peck's Ocean View tract in book 11 pages 162 and 163 of maps, in the office of the county recorder of said county, thence North $60^{\circ} 21' 33''$ east a distance of 649.64 feet to the southerly terminus of that certain course described in agreement between the City of Los Angeles and Southern Pacific Company recorded in book 13424 page 133 official records, in the office of the county recorder of said county as having a bearing and length of south $6^{\circ} 36' 56''$ east 69.46 feet; Thence north $6^{\circ} 36' 56''$ west along said agreement line 69.46 feet; thence continuing northerly along said agreement line through its various courses to the northerly terminus of that certain course described in said agreement as having bearing and length of south $6^{\circ} 39' 36''$ west 188.64, said last-mentioned course shall have a bearing of south $6^{\circ} 29' 53''$ west for purposes of this description; Thence south $55^{\circ} 10' 06''$ east 284.03 feet to the true point of beginning; Thence north $72^{\circ} 22' 48''$ east 115.50 feet; Thence south $17^{\circ} 37' 12''$ east 476.50 feet; Thence North $72^{\circ} 22' 48''$ east 2.45 feet; Thence south $17^{\circ} 37' 12''$ east 13.00 feet; Thence south $72^{\circ} 22' 48''$ west 63.00 feet; Thence south $17^{\circ} 37' 12''$ east 58.00 feet; Thence south $72^{\circ} 22' 48''$ west 69.50 feet; Thence south $17^{\circ} 37' 12''$ east 68.00 feet; Thence south $72^{\circ} 22' 48''$ west 138.74 feet to a point of tangency in a curve concave northeasterly having a radius of 25 feet, a radial line passes through the point of ending of said curve and bears south $53^{\circ} 49' 37''$ west; Thence northwesterly along said curve an arc distance of 31.17 feet to said last-mentioned point of reverse curvature in a curve concave southwesterly, having a radius of 107.00 feet, said last-mentioned curve is tangent at its pint of ending in a course that bears south $55^{\circ} 29' 27''$ west; Thence northwesterly, westerly and southwesterly along said curve an arc distance of 164.97 feet; Thence south $55^{\circ} 28' 27''$ west 99.53 feet to the beginning of a tangent curve concave northerly and having a radius of 118.00 feet, a radial line to said curve passes through its point of ending bearing south $23^{\circ} 48' 49''$ west; Thence westerly along said curve an arc distance of 120.12 feet to said last-mentioned point, said point is a point of compound curvature in a curve

concave northeasterly, having a radius of 168.00 feet, a radial line passes through the point of ending of said last-mentioned curve and bears south $83^{\circ} 48' 49''$ west; Thence northeasterly along said curve having a radius of 168.00 feet, an arc distance of 175.93 feet to its point of ending, said point is a point of compound curvature for the beginning of a curve concave easterly and having a radius of 268.00 feet; Thence northerly and northeasterly along said curve having a radius of 268.00 feet; an arc distance of 240.70 feet to its point of ending in a tangent course which bears north $45^{\circ} 16' 24''$ east; Thence north $45^{\circ} 16' 24''$ east 200.00 feet to the beginning of a tangent curve concave northwesterly and having a radius of 522.49 feet; thence northeasterly along said curve an arc distance of 200.38 feet to its point of ending, a radial line passes through said point of ending and bears south $66^{\circ} 41' 59''$ east; Thence south $66^{\circ} 41' 59''$ east 62.25 feet; Thence south $60^{\circ} 37' 12''$ east 56.51 feet; Thence north $29^{\circ} 22' 48''$ east 13.20 feet; Thence north $17^{\circ} 37' 12''$ west 49.00 feet to the true point of beginning.

EXHIBIT B

DESCRIPTION OF THE LEASE AGREEMENT AND AMENDMENTS

1. A leasehold as created by that certain Permit No. 520, dated September 3, 1987, under which the City of Los Angeles, a municipal corporation, acting by and through its Board of Harbor Commissioners, as lessor (the "City"), leased to California Coast Development Group, Inc., as lessee, which ~~was~~ lease was assigned to Marina Cabrillo Company, a general partnership, as assignee ("Marina Cabrillo"), the property as referenced in the document entitled Memorandum of Lease and Permit, dated October 7, 1987, between the City and Marina Cabrillo, and recorded October 15, 1987 as Instrument 87-1658755 in the Official Records of Los Angeles County, for the term and subject to all of the provisions contained in said document and permit.
2. Said Permit No. 520 was amended by that certain First Amendment to Permit No. 520, dated December 22, 1987 and further amended by that certain Second Amendment to Permit No. 520, dated October 21, 1987, both amendments as referenced in that certain First Amendment to Memorandum of Lease and Permit, dated December 10, 1987, between the City and Marina Cabrillo and recorded December 28, 1987 as Instrument No. 87-2034881 in the Official Records of Los Angeles County, wherein additional land was added to said lease.
3. Said Permit No. 520 was further amended by that certain Third Amendment to Permit No. 520, dated June 17, 1992, between the City and Marina Cabrillo.
4. Said Permit No. 520 was further amended by that certain Fourth Amendment to Permit No. 520, dated November 24, 1992, between the City and Marina Cabrillo.
5. The leasehold interest created by said Permit No. 520, as amended, was conveyed to U.S. Bancorp Financial, Inc., an Oregon corporation ("U.S. Bancorp"), pursuant to that certain Trustee's Deed Upon Sale, dated August 25, 1995 and recorded August 28, 1995 as Instrument No. 95-1403250, in the Official Records of the City of Los Angeles, California, between Chicago Title Insurance Company, a Missouri corporation, trustee, as grantor, and U.S. Bancorp, as grantee.
6. Said Permit No. 520 was further amended by that certain Fifth Amendment to Permit No. 520, dated June 14, 1996, and with an effective date of November 1, 1994, between the City and U.S. Bancorp.
7. The leasehold interest created by said Permit No. 520, as amended, was assigned to CapStar San Pedro Company, L.L.C., a Delaware limited liability company ("CapStar San Pedro") pursuant to that certain Assignment and Assumption of Permit No. 520, dated as of November 27, 1996 and recorded contemporaneously herewith in the Official Records of Los Angeles County, between U.S. Bancorp, as assignor, and CapStar San Pedro, as assignee.
8. Said Permit No. 520 was further amended by that Sixth Amendment to Permit No. 520, dated November 27, 1996, between the City and CapStar San Pedro, as referenced in that certain

EXHIBIT B (continued)

Memorandum of Lease and Permit, dated January 28, 1997 and recorded January 29, 1987 in the Official Records of Los Angeles County, as Instrument No. 97-149833.

9. Said Permit No. 520 was further amended by that certain Seventh Amendment to Permit No. 520, dated September 1, 2005, between the City and San Pedro Ownership Inc., as referenced in that certain Memorandum of Lease and Permit, dated July 13, 2005 and recorded contemporaneously herewith in the Official Records of Los Angeles County, as Instrument No. 05-1645949,

10. The leasehold interest created by said Permit No. 520, as amended, was assigned to LA SKY HARBOR, LLC, a California limited liability company pursuant to that certain Assignment and Assumption of Permit No. 520 and Consent Thereto dated as of February 27, 2013 and recorded in the Official Records of Los Angeles County on April 15, 2013 as Instrument No. 20130554953.

11. Said Permit was further amended by that certain Eighth Amendment to Permit No. 520 with the effective date of April 3, 2013, between City and LA SKY HARBOR, LLC, A California limited liability company.