

RESOLUTION 2014-39

**RESOLUTION CONSENTING TO MANAGEMENT
AGREEMENT BETWEEN LFN DEVELOPERS, LLC
AND RESIDENCE INN BY MARRIOTT, LLC, WITH
CONDITIONS**

WHEREAS, the San Diego Unified Port District (District) is a public corporation created by the Legislature in 1962 pursuant to Harbors and Navigation Code Appendix I (Port Act); and

WHEREAS, Section 87(b) of the Port Act grants authority to the District to lease the tidelands or submerged lands, or parts thereof, for limited periods, not exceeding 66 years, for purposes consistent with the trusts upon which those lands are held, by the State of California; and

WHEREAS, LPP Lane Field, LLC (Developer) has an option to lease agreement (Option to Lease) with the District which provides for development of a 400-room hotel on the Lane Field North site, and provides the Developer with options to develop the adjacent Lane Field South site upon exercising the Option to Lease, on file in the Office of the District Clerk, as Document No. 58634, as amended; and

WHEREAS, pursuant to Resolution No. 2014-35 adopted by the Board of Port Commissioners (BPC) on March 4, 2014, the District consented to the assignment and assumption of the Option to Lease from the Developer to LFN Developers, LLC (LFN); and

WHEREAS, the LFN is proposing to contract with Residence Inn by Marriott, LLC (Marriott) for the branding and management of both the Springhill Suites and Residence Inn under a single contract; and

WHEREAS, pursuant to BPC Policy No. 355 and the Lane Field North Option, LFN is required to obtain Board of Port Commissioners' (BPC) consent for the Management Agreement between LFN and Residence Inn by Marriott, LLC; and

WHEREAS, the District's consent to the Management Agreement will not result in a modification of the lease, and the hotel manager is required to comply with all applicable terms of the ground lease; and

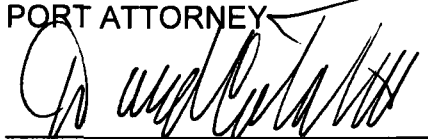
WHEREAS, staff has reviewed all of the relevant information required by BPC Policy No. 355 and recommends that the BPC consent to the Management Agreement with the following conditions:

1. The District's consent to the Management Agreement shall be null and void and of no further force and effect if Lessee does not contract for management or franchising of the hotels with Marriott, as confirmed by receipt of final documents in substantially the same form as presented to the Board and signed by both LFN and Marriott, within 90 days of District's consent.

NOW, THEREFORE, BE IT RESOLVED by the Board of Port Commissioners of the San Diego Unified Port District, as follows:

That the San Diego Unified Port District hereby consents to the Management Agreement between LFN Developers, LLC and Residence Inn by Marriott, LLC, with the above conditions.

APPROVED AS TO FORM AND LEGALITY:
PORT ATTORNEY



By: ~~Assistant~~ Deputy

2014-39

PASSED AND ADOPTED by the Board of Port Commissioners of the San Diego Unified Port District, this 4th day of March, 2014, by the following vote:

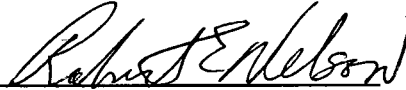
AYES: Bonelli, Castellanos, Malcolm, Merrifield, Moore, Nelson, and Valderrama

NAYS: None.

EXCUSED: None.

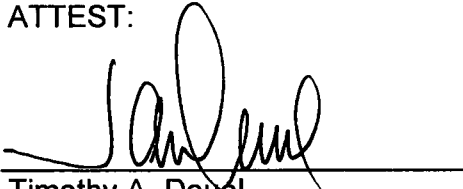
ABSENT: None.

ABSTAIN: None.



Robert E. Nelson, Chairman
Board of Port Commissioners

ATTEST:



Timothy A. Deuel
District Clerk

(Seal)