

RESOLUTION 2015-164

**RESOLUTION AUTHORIZING EXECUTIVE
DIRECTOR TO ENTER INTO NON-DISTURBANCE
AND ATTORNMENT AGREEMENT WITH IHG
MANAGEMENT (MARYLAND), LLC AND
GRANTING INDEMNITY 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 1 (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 with the District for development of a 400-room hotel on the Lane Field South site located at the corner of Broadway and Harbor Drive in the city of San Diego (Project); and

WHEREAS, the Developer has negotiated a combined management and franchise agreement with IHG Management (Maryland), LLC (IHG) to operate a 400-room InterContinental Hotel; and

WHEREAS, IHG requested a Non-Disturbance and Attornment (NDA) agreement with the District; and

WHEREAS, under the NDA the District would recognize IHG as the hotel manager and IHG would recognize the District as the owner of the Project; and

WHEREAS, the NDA benefits the District by getting reassurances from the hotel manager that their Management Agreement will remain in place should the District ever need to take over the Lease or if the Lease is terminated; and

WHEREAS, the NDA also benefits IHG by assuring them that their Management Agreement won't be terminated if such an event occurs; and

WHEREAS, the NDA contemplates the scenario where the District would assume control of the hotel through a default or other event resulting in the early termination of the Lease, and the District becomes a party to the hotel Management Agreement; and

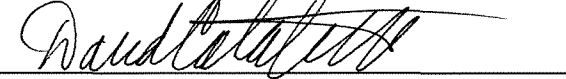
WHEREAS, the District's consent is conditioned on a contract for management or franchising of the hotels with IHG, as confirmed by receipt of final documents signed by both, the lessee, LFS Development, LLC and IHG, within 90 days of District's consent.

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

That the Executive Director or her designated representative is hereby authorized on behalf of the San Diego Unified Port District to enter into a Non-Disturbance and Attornment Agreement with IHG Management (Maryland), LLC and granting indemnity with conditions.

APPROVED AS TO FORM AND LEGALITY:

GENERAL COUNSEL

A handwritten signature in cursive script, appearing to read "David Collette", is written over a horizontal line.

By: ~~Assistant~~ Deputy

PASSED AND ADOPTED by the Board of Port Commissioners of the San Diego Unified Port District, this 8th day of December, 2015, by the following vote:

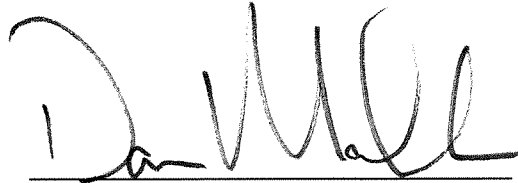
AYES: Bonelli, Castellanos, Malcolm, Merrifield, Moore, Nelson, and Valderrama.

NAYS: None.

EXCUSED: None.

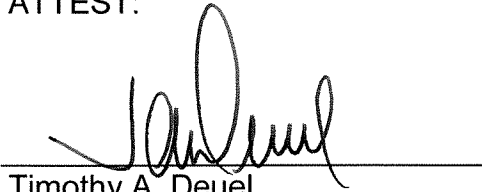
ABSENT: None.

ABSTAIN: None.



Dan Malcolm, Chairman
Board of Port Commissioners

ATTEST:



Timothy A. Deuel
District Clerk

(Seal)