

RESOLUTION 2017-009

**RESOLUTION CONSENTING TO ENCUMBRANCE
OF UNITED SPORTFISHERS OF SAN DIEGO, INC.
DBA H&M LANDING, LOCATED AT 2803
EMERSON STREET, SAN DIEGO, CA LEASEHOLD
ESTATE BY \$404,396 DEED OF TRUST IN FAVOR
OF BANNER BANK, 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, United Sportfishers of San Diego, Inc. dba H&M Landing (H&M Landing) operates a recreational sportfishing operation at 2803 Emerson Street, in Americas Cup Harbor, San Diego; and

WHEREAS, H&M Landing has a 20-year lease with the District covering its sportfishing operations, which expires in December 2029; and

WHEREAS, H&M Landing has requested District consent to a loan refinance from Banner Bank in the amount of \$404,396; and

WHEREAS, Banner Corporation is a \$9.9 billion holding company of Banner Bank and Islanders Bank; and

WHEREAS, the loan complies with the maximum 75% loan-to-value ratio required under BPC 355 and the loan will mature more than four years before expiration of the lease; and

WHEREAS, Staff has reviewed all of the relevant information required by BPC 355 and recommends that the District consent to the encumbrance with the following conditions:

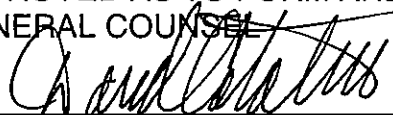
1. The loan amount will not exceed \$404,396; and
2. The loan term will not extend beyond the current lease expiration date of December 31, 2029; and

3. All other terms, conditions, provisions and covenants of the lease shall remain and continue in full force and effect and no further encumbrance of the lease or any part thereof shall be made without the prior written consent of the District in each instance, as provided in the lease; and
4. It is understood that the District has not reviewed or approved the terms and conditions of the proposed encumbrance documents, such as the leasehold deed of trust or note secured thereby and is not agreeing to be a party to the leasehold deed of trust, note or other documents; and
5. Nothing contained in the conditions of approval shall be construed to modify, amend or waive any provisions of the lease; and
6. The District's consent to the encumbrance shall be null and void and of no further force and effect if H&M Landing does not obtain financing from Banner Bank, as confirmed by receipt of final loan documents signed by both H&M Landing and Banner Bank, within 120 days of District's consent; and
7. H&M Landing acknowledges that it will not seek rent relief as result of not being able to meet its debt service or debt repayment obligations; and
8. The District's consent to this encumbrance is conditioned upon the leasehold having no further loans in effect, as confirmed by receipt of a full reconveyance recorded in the Office of the Recorder of San Diego County within 120 days of District's consent.

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

That the BPC consents to the encumbrance of United Sportfishers of San Diego, Inc., dba H&M Landing, located at 2803 Emerson Street, San Diego, CA leasehold estate by a \$404,396 deed of trust in favor of Banner Bank, with conditions.

APPROVED AS TO FORM AND LEGALITY:
GENERAL COUNSEL



By: Deputy

PASSED AND ADOPTED by the Board of Port Commissioners of the San Diego Unified Port District, this 10th day of January, 2017, by the following vote:

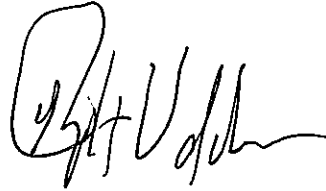
AYES: Bonelli, Nelson, Castellanos, Malcolm, Merrifield, Moore, and Valderrama

NAYS: None.

EXCUSED: None.

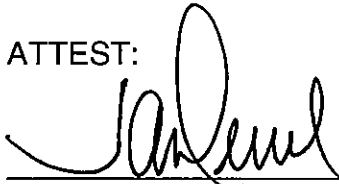
ABSENT: None.

ABSTAIN: None.



Robert Valderrama, Chair
Board of Port Commissioners

ATTEST:



Timothy A. Deuel
District Clerk

(Seal)

