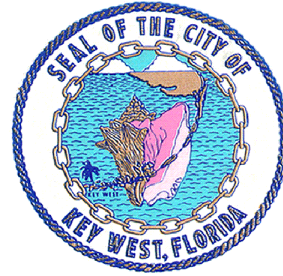


Executive Summary



TO: City Commission

CC: Jim Scholl

FR: Marilyn Wilbarger, RPA, CCIM

DT: November 5, 2018

RE: Tenant Merger Agreement regarding the Lease for 1405 Duval Street DBA Southernmost Beach Cafe

ACTION STATEMENT

This is a request to agree to the pending merger between LaSalle Hotel Properties and Pebblebrook Hotel Trust regarding the lease for 1405 Duval Street DBA Southernmost Beach Café.

HISTORY

The city has received notice of a merger from the tenant Sunset City, LLC whose sole member is LaSalle Hotel Operating Partnership, LP which is a wholly owned subsidiary of LaSalle Hotel Properties, a publicly traded Maryland Real Estate Investment Trust.

Pursuant to the merger agreement Pebblebrook Hotel Trust will acquire 100% of LaSalle's stock and LaSalle will no longer exist, however, LaSalle Hotel Operating Partnership L.P. which wholly owns Sunset City LLC will survive and be maintained by Pebblebrook.

Following the merger, the current tenant, Sunset City LLC, will remain the Lessee under the lease and the premises will be unaffected.

CONCLUSION:

The requested action is permitted under the terms of the lease and will not affect the terms or conditions of the lease. The Tenant will continue to provide an irrevocable letter of credit throughout the term of the lease for \$150,000.00 as security for the payment of rent and all other sums due. A \$500 fee will be charged for facilitation of the approval of the merger.

ATTACHMENTS:

Tenant Merger Notice with Landlord Agreement
Letter of Credit
Lease
Lease Renewal