

**DRAFT****RESOLUTION 20xx-xxx****RESOLUTION      CONSENTING      TO      THE  
ASSIGNMENT      AND      ASSUMPTION      OF      THE  
LEASEHOLD      INTEREST      FROM      SEAPORT  
VILLAGE OPERATING COMPANY, LLC DBA THE  
HEADQUARTERS TO LBX HEADQUARTERS AT  
SEAPORT LLC**

**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**, the Port Act grants the District jurisdiction, traditional police powers, including land use authority, and expressed land management and powers over certain submerged waters and tidelands around and in the San Diego Bay (Port Act Sections 5, 19, 21, 87); and

**WHEREAS**, Sections 21 and 87(b) of the Port Act grants authority to the District to grant franchises, leases or other privileges to access, use and occupy the tidelands or submerged lands, or parts thereof, for limited periods, not exceeding 66 years, for purposes consistent with the Public Trusts upon which those lands are held, by the State of California; and

**WHEREAS**, Seaport Village Operating Company, LLC (SVOC) dba The Headquarters, operates as an entertainment-oriented specialty retail development formerly known as the Old Police Headquarters located at 789 West Harbor Drive in the City of San Diego (Premises) (see, Attachment A to the agenda sheet to which this Resolution relates); and

**WHEREAS**, SVOC's existing Lease with the District expires January 10, 2052 (Current Lease<sup>1</sup>); and

**WHEREAS**, SVOC's is proposing to assign its rights and obligations under the Current Lease to LBX Headquarters at Seaport LLC, a Delaware limited liability company (LBX Seaport), and LBX Seaport is proposing to assume such rights and obligations; and

**WHEREAS**, LBX Seaport is indirectly owned by LBX Investments LLC, a Delaware limited liability company (LBX Investments); and

**WHEREAS**, LBX Investments is a diversified commercial real estate

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<sup>1</sup> Lease dated March 14, 2012 on file in the Office of the District Clerk as Document No. 58599 (as amended by that certain Amendment No. 1 dated February 14, 2017 on file in the Office of the District Clerk as Document No. 66166).

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investment firm with a primary focus on investing in retail properties nationally; and

**WHEREAS**, LBX Investments has a robust, vertically integrated platform that oversees leasing, property management, asset management, construction, marketing, finance and accounting efforts; and

**WHEREAS**, the Current Lease requires the Board of Port Commissioners (Board) to consent to the assignment and assumption from SBOC to LBX Seaport (Assignment); and

**WHEREAS**, as a condition of granting consent to the Assignment, the District is entitled to update the terms and provisions of the Current Lease as well as to a participation fee of .85% of the gross process from the assignment, which totals \$ 296,437 (Assignment Fee); and

**WHEREAS**, LBX Seaport has agreed to an Amended and Restated Lease (Attachment B to the corresponding agenda sheet to which this Resolution relates) (Restated Lease) on the District's current lease template and that includes updated terms in comparison to the Current Lease; and

**WHEREAS**, the Restated Lease requires LBX Investments to execute a Continuing Guaranty (Guaranty) to guaranty all of LBX Seaport's obligations under the Restated Lease and will be required to maintain a net worth of no less than \$15,000,000 throughout the term of the Restated Lease; and

**WHEREAS**, the effectiveness of the Restated Lease is conditioned upon the consummation of the Assignment (the "Closing"), and the consummation of the Closing is conditioned upon the effectiveness of the Restated Lease; and

**WHEREAS**, if both the Closing fails to take place and the Restated Lease fails to become effective for any reason on or before September 30, 2025 (Outside Closing Date), then the consent granted by this Resolution is to automatically be deemed null and void and of no force and/or effect without further action by the Board; and

**WHEREAS**, in addition to the Closing occurring and the Restated Lease becoming effective on or before the Outside Closing Date, the consent granted by this Resolution shall be conditioned upon the District receiving, all before or concurrently with the Closing, executed counterparts of the Restated Lease and the Guaranty as well as payment of the Assignment Fee to the District; and

**WHEREAS**, in light of the foregoing benefits and the conditions set forth in this Resolution and the corresponding agenda sheet to which this Resolution relates, staff recommends the Board consent to the assignment of the Existing Lease from SVOC to LBX Seaport.

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**NOW THEREFORE, BE IT RESOLVED** that the Board of Port Commissioners of the San Diego Unified Port District hereby consents to the assignment and assumption of the Existing Lease from Seaport Village Operating Company LLC to LBX Headquarters at Seaport LLC provided that (i) the consent granted hereunder shall be null and void without further action by the Board of Port Commissioners if both the Closing fails to take place and the Restated Lease fails to become effective for any reason on or before then Outside Closing Date; (ii) on or prior to the Closing, the District has received executed counterparts of the Restated Lease and the Guaranty; and (iii) on or prior to the Closing, the District has received payment of the Assignment Fee.

APPROVED AS TO FORM AND LEGALITY:  
GENERAL COUNSEL

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By: Assistant/Deputy

PASSED AND ADOPTED by the Board of Port Commissioners of the San Diego Unified Port District, this 6<sup>th</sup> day of June, 2025, by the following vote: