

DRAFT**RESOLUTION 20xx-xxx****RESOLUTION CONSENTING TO THE TRANSFER OF OWNERSHIP INTERESTS IN CONTINENTAL MARITIME OF SAN DIEGO, LLC, TO LSF 11TRINITY BIDCO, INC.**

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, Continental Maritime of San Diego, LLC, a Delaware limited liability company (“CMSD”), is an existing District tenant under that certain Amended and Restated Lease dated February 1, 2021 on file in the Office of the District Clerk as Document No. 72255 (the “Original Amended and Restated Lease”); and

WHEREAS, pursuant to the Original Amended and Restated Lease, CMSD operates a shipyard facility at the leased premises located at 1995 Bayfront Street, San Diego, as further described in the Original Amended and Restated Lease (the “Premises”); and

WHEREAS, the Premises include approximately 12 acres of landside area comprised of industrial facilities, production shops, offices and other related utilities, approximately 18 acres of waterside area, and currently has three working piers to moor large naval and commercial vessels; and

WHEREAS, Titan Acquisition Holdings, L.P., a Delaware limited liability company (“Titan Parent”), is the parent company of CMSD and a guarantor of CMSD’s obligations under the Original Amended and Restated Lease; and

WHEREAS, CMSD has requested District consent to Titan Parent transferring one hundred percent (100%) its equity interests to LSF11 Trinity Bidco, Inc., a Delaware corporation, which qualifies as a “Change In Entity” and requires District consent under the Original Amended and Restated Lease (such transaction, the “Titan Change in Entity”); and

WHEREAS, in connection with the proposed Titan Change in Entity, District and CMSD have negotiated a Second Amended and Restated Lease in

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the form attached to the agenda sheet to which this Resolution relates (the “Second Amended and Restated Lease”); and

WHEREAS, the Second Amended and Restated Lease has the same expiration date of December 31, 2032 as the Original Amended and Restated Lease; and

WHEREAS, the Second Amended and Restated Lease also includes a Continuing Guaranty to be executed by the Titan Parent (the “Titan Guaranty”) to guaranty all of CMSD’s obligations under the Second Amended and Restated Lease; and

WHEREAS, as further provided and set forth in the Second Amended and Restated Lease, and notwithstanding the execution thereof, the Second Amended and Restated Lease is not to limit and/or affect the obligations or liability of CMSD, Titan Parent, HII San Diego Shipyard Inc., and/or Huntington Ingalls Industries, Inc. under the Original Amended and Restated Lease, the guarantees executed in connection with the Original Amended and Restated Lease, and/or that certain Lease dated January 11, 2011 and recorded in the Office of the District Clerk as Document No. 57269 (as amended); and

WHEREAS, in comparison to the Original Amended and Restated Lease, the Second Amended and Restated Lease includes numerous beneficial provisions to the District, as further described in the agenda sheet to which this Resolution relates; and

WHEREAS, the effectiveness of the Second Amended and Restated Lease is to take place concurrently with, and is conditioned upon, the consummation of the Titan Change in Entity (the “Closing”), and the District’s approval of the Titan Change in Entity is conditioned upon the effectiveness of the Second Amended and Restated Lease; and

WHEREAS, if the Closing fails to take place, thereby preventing the effectiveness of the Second Amended and Restated Lease, for any reason by September 30, 2023 (the “Outside Closing Date”), then the authority granted by this Resolution is to automatically be deemed null and void and the Second Amended and Restated Lease is not to become effective without further action by the Board of Port Commissioners; and

WHEREAS, in addition to the Closing occurring by the Outside Closing Date, the authority granted by this Resolution shall be conditioned upon (i) the District being reimbursed by CMSD for all of District’s reasonable costs and expenses, including attorneys’ fees, associated with the Second Amended and Restated Lease, and (ii) the District receiving executed counterpart originals of the Second Amended and Restated Lease and the Titan Guaranty on or before the Closing; and

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WHEREAS, subject to the conditions in this Resolution, District staff recommends that the Board of Port Commissioners adopt a resolution consenting to the Titan Change in Entity.

NOW, THEREFORE, BE IT RESOLVED by the Board of Port Commissioners of the San Diego Unified Port District hereby consents to the transfer of one hundred percent (100%) of the equity interests of Titan Acquisition Holdings, L.P., to LSF11 Trinity Bidco, Inc.; provided that (a) the consent granted hereunder shall be null and void, and the Second Amended and Restated Lease shall not become effective without further action by the Board of Port Commissioners, if the Closing, and thereby the effectiveness of the Second Amended and Restated Lease, has not occurred by the Outside Closing Date, and (b) on or prior to the Closing, (i) the District has been reimbursed by CMSD for all of the District's costs and expenses, including attorneys' fees, associated with the Second Amended and Restated Lease through the Closing, (ii) the District has received the \$400,000 participation fee due under the Original Amended and Restated Lease, and (ii) the District receiving executed counterpart originals of the Second Amended and Restated Lease and the Titan Guaranty.

APPROVED AS TO FORM AND LEGALITY:
GENERAL COUNSEL

By: Assistant/Deputy

PASSED AND ADOPTED by the Board of Port Commissioners of the San Diego Unified Port District, this 9th day of May, 2023, by the following vote: