

**DRAFT**

**RESOLUTION 20xx-xxx**

**RESOLUTION CONSENTING TO THE CREATION OF A NEW BUSINESS ENTITY, IL FORNAIO (AMERICA), LLC AS SUBLESSEE TO FERRY LANDING ASSOCIATES, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY, AND AN ASSIGNMENT OF THE OWNERSHIP INTEREST OF IFCB HOLDING CORPORATION, A DELAWARE CORPORATION, IN IL FORNAIO (AMERICA), LLC TO CREATE RESTAURANTS HOLDINGS, INC., A JAPANESE CORPORATION AND CREATE RESTAURANTS NY INC., A NEW YORK CORPORATION, TO CONTINUE OPERATING IL FORNAIO RESTAURANT FOR THE REMAINDER OF THE TERM OF THE SUBLEASE THROUGH NOVEMBER 1, 2028, IF ALL EXTENSIONS ARE EXERCISED**

**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; and

**WHEREAS**, the Board of Port Commissioners (BPC) adopted BPC Policy No. 355 to establish general policies for leasing the San Diego Unified Port District real estate assets; and

**WHEREAS**, the District entered into a forty (40) year lease with Ferry Landing Associates, LLC (Ferry Landing) on September 1, 1997, for restaurant and office building use, located at 1333 First Street, in the City of Coronado (the Lease); and

**WHEREAS**, Ferry Landing entered into a sublease with Il Fornaio America Corporation on November 1, 1998 for fifteen (15) years with two five-year options to extend, to operate an 8,800 square foot upscale Italian restaurant (Sublease); and

**WHEREAS**, on July 27, 2016, the BPC consented to an assignment of ownership interest in the Sublease, as well as an additional option to extend for five (5) years to November 1, 2028; and

**WHEREAS**, the ownership assignment made IFCB Holding Corporation (IFCB Holding) the sole shareholder of Il Fornaio (America) Corporation, however, the executive management team for the operation of the restaurant remained the same; and

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**WHEREAS**, Ferry Landing requests the District's consent to an assignment of ownership interest (Assignment) of the Sublease from IFCB Holding to Create Restaurants Holdings, Inc. and Create Restaurants NY Inc. (Create Restaurants), as the sole shareholders of a newly formed limited liability company, Il Fornaio (America), LLC, and no changes to the restaurant name or operation are anticipated with the Assignment; and

**WHEREAS**, for long term subleases (more than five years), Board Policy No. 355 (BPC 355) states they must meet the following conditions as a requirement to consent of the sublease:

- Sublease must meet current District lease requirements
- Provide that the subtenant shall be obligated to pay any master lease rent increases that are applicable to the subleased premises
- Provide that in the event of a conflict between the master lease and the sublease, the master lease shall prevail

**WHEREAS**, District staff has determined that the Assignment is consistent with BPC 355, and recommends that the BPC adopt a resolution consenting Assignment of the Sublease between Ferry Landing and Create Restaurants Holdings, Inc. and Create Restaurants NY Inc.

**NOW THEREFORE, BE IT RESOLVED** by the Board of Port Commissioners of the San Diego Unified Port District, hereby consents to the creation of a new business entity, Il Fornaio (America), LLC as sublessee to Ferry Landing Associates, LLC, a California Limited Liability Company, and an Assignment of the ownership interest of IFCB Holding Corporation, a Delaware Corporation, in Il Fornaio (America), LLC to Create Restaurants holdings, Inc., a Japanese Corporation and Create Restaurants NY, Inc., a New York Corporation, to continue operating Il Fornaio Restaurant for the remainder of the term of the sublease through November 1, 2028, if all extensions are exercised.

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 11<sup>th</sup> day of February 2020, by the following vote: