

LESSOR ESTOPPEL CERTIFICATE AND CONSENT TO DEED OF TRUST

This Lessor Estoppel Certificate and Consent to Deed of Trust (this "Consent") is executed by **CITY OF REDONDO BEACH**, a California charter city and municipal corporation ("Lessor"), and **PORTOFINO HOTEL PARTNERS, L.P.**, a California limited partnership ("Lessee"), as of this ____ day of _____, 2024, for the benefit of **GSF 2023-1 LLC**, a Delaware limited liability company (as successor by assignment of the Mortgage Loan (as defined below) from **GSF 2023-1 REIT LLC**, together with its successors and/or assigns, collectively, "Mortgage Lender"), whose address is 2828 Routh Street, Suite 655, Dallas, Texas 75201, and **AXONIC ALTERNATIVE INCOME FUND**, a Delaware statutory trust (together with its successors and/or assigns, "Mezzanine Lender"; and together with "Mortgage Lender", individually each a "Lender" and collectively "Lenders"), whose address is 520 Madison Avenue, 42nd Floor, New York, New York 10022.

RECITALS

A. Lessee and Lessor entered into a certain Lease effective as of April 1, 2006, as amended by First Amendment to Lease dated August 5, 2014 (the "First Amendment" and collectively the "Lease"), for certain real property, including the improvements now located or in the future to be located thereon and the appurtenances related thereto, located in Los Angeles County, City of Redondo Beach, California, as more particularly described on Exhibit "A" attached hereto and made a part hereof (the "Real Property").

B. Lessee proposes to obtain a mortgage loan from Mortgage Lender in the amount of \$28,000,000.00 (the "Mortgage Loan"), which would be secured by a Leasehold Deed of Trust, Assignment of Rents and Leases, Security Agreement, Financing Statement and Fixture Filing (the "DOT") in favor of Mortgage Lender, wherein Lessee will mortgage its leasehold interest in the Real Property and its rights, title and interest in the improvements, equipment and personal property of Lessee located or to be located thereon.

C. Portofino Mezz GP, LLC and Portofino Mezz Partners, LLC, each a Delaware limited liability company (collectively, "Mezzanine Borrowers"), which at the time of the closing of the Loans shall be the sole limited partner and sole general partner of Lessee, propose to obtain a mezzanine loan from Mezzanine Lender in the amount of \$7,000,000.00 (the "Mezzanine Loan"; and together with the Mortgage Loan, collectively, the "Loans"), which would be secured by a Pledge and Security Agreement (the "Pledge Agreement") in favor of Mezzanine Lender, wherein Mezzanine Borrowers will pledge their respective right, title and interest in the partnership interests in Lessee.

Pursuant to the terms of the Lease and as a condition to each Lender making the Loans, Lessor is requested to execute and deliver this Consent. Capitalized terms used herein but not defined shall have the meaning given to such terms in the Lease.

CERTIFICATIONS AND CONSENT OF LESSOR

The undersigned, as the Lessor under the above described Lease, hereby certifies to each Lender, as of the date set forth in the first paragraph hereof, as follows:

1. The Lease is in full force and effect. The Lease has not been amended, modified or supplemented except by the First Amendment. The Lease represents the entire agreement between the Lessor and Lessee as to the above referenced Real Property. A true and correct copy of the Lease and all amendments and modifications to date are attached hereto as Exhibit "B".

2. The rentals currently for the Real Property are as follows:

- a. Minimum Monthly Rental: \$74,979.78 per month;
- b. Splash Wall Rental: None (Splash Wall Rental is no longer due)
- c. Capital Improvement Fund: a sum equal to one percent (1%) of Gross Sales per month;
- d. Renovation Fund: a sum equal to one half of one percent (0.5%) of Gross Sales per month.

All Percentage Rental has been paid through May 31, 2024, and all Minimum Monthly Rental and other amounts due under the Lease have been paid through July 31, 2024 (subject to the audit rights of Lessor expressly set forth in the Lease). Lessor holds a Deposit in the amount of \$74,979.89. The Execution Payment has been paid in full. Appreciation Rent is applicable in connection with the making of the Loans, however the calculation of the amount of Appreciation Rent due in connection with the making of the Loans in the aggregate is \$0.00. Lessee has paid to Lessor in connection with this Consent a fee in the amount of \$0.00 pursuant to the terms of Section 13 of the Lease. No additional fee is currently due under Section 13 of the Lease. The required balance of the Capital Improvement Fund is \$219,934.48 and the required balance of the Renovation Fund is \$109,967.24. Lessor has not confirmed the balances of the Capital Improvement Fund and Renovation Fund actually held by Lessee, but Lessor acknowledges and agrees that per Sections 7.7 and 9.2 of the Lease, the Capital Improvement Fund and Renovation Fund (or other capital reserve that accomplishes the same objectives in a manner consistent with such Capital Improvement Fund and Renovation Fund) may be pledged to either Lender.

3. Lessee has deposited with the Lessor two (2) security deposits in the amount of \$9,700 and \$57,057 as additional security under the Lease. No additional security deposit is currently due under Section 8 of the Lease.

4. The total Percentage Rental paid by Lessee for 2023 is \$1,945,794.11. The total Percentage Rental owed by Lessee for 2023 is \$1,945,745.11 (subject to audit). The total Percentage Rental paid by Lessee for 2024 (through the end of the month of May 2024) is \$811,184.15. The total Percentage Rental owed by Lessee for 2024 (through the end of the month of May 2024) is \$811,184.15 (subject to audit). All payments for Percentage Rental for periods prior to 2024 have been paid in full. Percentage Rental is calculated and payable monthly pursuant to the Lease based upon the schedule attached hereto as Exhibit "C", which represents the "Applicable Percentages" in effect, which schedule represents the most recent agreement of the parties. Percentage Rental is subject to periodic readjustment in accordance with Section 5.9 of the Lease. Since the First Amendment, the Percentage Rental has not been further adjusted and no unresolved request to adjust the Percentage Rental has been made by Lessor or Lessee.

5. The commencement date of the Lease is April 1, 2006. The Lease terminates on April 1, 2061. Except as expressly set forth in the Lease, Lessee has no option to renew or extend the term of the Lease.

6. Lessor confirms that the "Renovation 2006" as defined in and required to be completed pursuant to Section 7 of the Lease has been completed in accordance with the Lease. The current "Base Value" as defined in the Lease is \$43,329,901.72.

7. To Lessor's actual knowledge (a) no default on the part of the Lessor or Lessee exists under the Lease, and (b) no event that upon the giving of notice or the passage of time, or both would constitute a default under the Lease by Lessee or Lessor has occurred. To the actual knowledge of Lessor as of the date of this Consent, Lessee has not assigned, sublet or transferred any interest under the Lease, or any part thereof, except as may be shown on Exhibit "D" (the rental of marina slips, offices and hotel/apartment units are not included in Exhibit "D"). For the purposes of this Consent, the "actual knowledge" of the Lessor shall mean the actual knowledge of the City Waterfront & Economic Development Director, and a reasonable search of Lessor's records related to the Lease and the Real Property.

8. Lessor's fee interest in the Real Property is subject to the terms of a grant from the State of California (the "Tidelands Trust Agreement") and is otherwise not presently encumbered by any pledge, assignment, mortgage, deed of trust or similar document or instrument.

9. Lessor hereby consents to: (a) each of the Loans, (b) the pledge of Lessee's interest to Mortgage Lender in its leasehold estate pursuant to the terms and conditions of the DOT, (c) the pledge by Mezzanine Borrowers to Mezzanine Lender of their partnership interests in Lessee pursuant to the terms of the Pledge Agreement, (d) subject to compliance with Section 13.4(a), (b) and/or (c) of the Lease, as applicable, (x) the assignment, transfer, pledge or sale of the Mortgage Loan and the DOT by Mortgage Lender to any affiliate or any wholly owned subsidiary of Mortgage Lender (any such affiliate or subsidiary hereinafter called "GSF"), and (y) the assignment, transfer, pledge or sale of the Mezzanine Loan and the Pledge Agreement by Mezzanine Lender to any affiliate or any wholly owned subsidiary of Mezzanine Lender (any such affiliate or subsidiary herein after called "Axonic"), which shall require the prior written consent of Lessor only if and to the extent required by Section 13.4(a) or (c) of the Lease, as applicable (collectively, the "Consent"). Lessor agrees that Mortgage Lender, Mezzanine Lender, GSF, Axonic and their respective successors and assigns contemplated by this Section 9 shall be entitled to rely on the terms of this Consent. This Consent shall not change, modify, extend, or amend any term, condition, or definition of the Lease, and the Loans, the DOT, the Pledge Agreement and any related documents shall at all times be subject to and subordinate to the Lease; and the terms and conditions of the Lease shall prevail and govern in the event of any conflict with the terms of the Loans and/or the DOT and/or the Pledge Agreement. Any extension, assignment, transfer, pledge, refinancing, securitization, restructuring, repackaging, or sale of either of the Loans and/or the DOT, and/or the Pledge Agreement other than as part of the Lender Consent or a minority, non-controlling interest in either Loan having privity solely with the applicable Lender, shall require Lessor's prior written consent in accordance with the terms of the Lease, including without limitation, section 13.1(b)(vi). Except as expressly set forth in this Consent, Lessor does not approve, confirm, subordinate, waive, accept, or consent to any representation, term, or condition that may be described in the DOT and/or the Pledge Agreement or any Loan document, including, without limitation, any proposed refinancing, restructuring, or repackaging of the Loan or any purported assignment of Lessee's ownership or leasehold interests that may be referenced therein.

Lessor is not a party to the Loan and is not bound in any way by any provision therein. Each Lender is hereby deemed and shall receive the benefits of being a "Lender" and an "Institutional Lender" for all purposes under the Lease. Any notices to be sent to either Lender under any provisions of the Lease shall be sent to such Lender at the address set forth in Paragraph 20 below. Notwithstanding anything to the contrary in the Lease, the provisions set forth in Section 13.1(b)(vi) requiring prior written consent of Lessor for the actions specified therein shall only apply in connection with the extension or renewal of the Loan or a modification of the following provisions of either Loan: (i) increasing the principal loan amount; (ii) increasing the interest rate; (iii) shortening the scheduled maturity date; (iv) increasing any prepayment or yield maintenance fee or premium; or (v) increasing any regularly-scheduled debt service or reserve payment amounts. Any change to payment dates for applicable payment periods shall not be deemed a change or acceleration of a payment schedule pursuant to Section 13.1(b)(vi). Notwithstanding the foregoing, so long as a Loan remains outstanding and/or the applicable Lender holds a direct interest in the Real Property, Lessor acknowledges that such Loan may be assigned, pledged, and/or transferred to any other party without the Lessor's consent.

10. Notwithstanding anything to the contrary in the Lease, so long as the Mezzanine Loan remains outstanding and/or Mezzanine Lender holds a direct or indirect interest in the Real Property, Mezzanine Lender shall be afforded the same rights as afforded to Mortgage Lender under the Lease, including, but not limited to any and all notice and cure rights set forth in Sections 13.4 and 32(b) of the Lease. Any provision of the Lease referencing or relating to any foreclosure, deed in lieu of foreclosure, or other enforcement action of the DOT (each, an "Enforcement Action"), and any rights and benefits under the Lease afforded to the holder of any mortgage or deed of trust of the leasehold interests, shall be deemed, with respect to Mezzanine Lender, to refer instead to the foreclosure, assignment in lieu of foreclosure, or other Enforcement Action of the pledge of collateral securing the Mezzanine Loan, and Mezzanine Lender shall be deemed to have and be afforded the same rights and benefits with respect thereto in connection with the Mezzanine Loan as Mortgage Lender has and is afforded with respect to the Mortgage Loan.

11. Notwithstanding anything to the contrary in the Lease, the rights of the Lenders in Section 13.4 of the Lease shall survive the termination of Lessee's interests under the Lease and shall remain in effect after termination of the Lease in accordance with the terms thereof.

12. As of the date of this Consent and regarding only the Lender Consent, Lessor confirms, to the actual knowledge of Lessor and based upon the material representations of Lessee and each Lender, that Lessee and each Lender have complied with the consent requirements set forth in the Lease, including without limitation Section 13.1, Section 13.2, and Section 18.2 of the Lease, upon payment of the sums currently due to the extent outlined in Sections 2 and 3 of this Consent.

13. Lessor is in receipt of certificates of insurance indicating that Lessee has currently procured all insurance required pursuant to Section 14.4 of the Lease; provided that Lessee is subject to a continuing requirement to maintain the insurance policies required by Section 14.4 of the Lease and to provide certificates of insurance to Lessor demonstrating compliance therewith.

14. Notwithstanding anything to the contrary in the Lease, Lessor hereby agrees that there shall be no cancellation, termination, waiver, surrender, acceptance of surrender, amendment, change or modification of the Lease by joint action of Lessor and Lessee or by Lessee alone, without in each case the prior consent in writing of each Lender (and if any such action is taken

without the prior consent in writing of either Lender, then such action shall not be binding on such Lender).

15. Supplementing Section 5.3 of the Lease, Lessor agrees that Appreciation Rent shall not apply with respect to a Transfer consisting of a (a) foreclosure or (b) assignment in lieu of foreclosure or other transfer to either Lender or such Lender's affiliate of, in either case, relating to such Lender's exercise of its remedies pursuant to the applicable Loan.

16. Supplementing Section 13.4(h) of the Lease, but subject to all of the conditions therein (including without limitation conditions relating to cure of defaults), Lessor agrees that, in addition to Mortgage Lender, Mezzanine Lender shall also be deemed to be a First Encumbrance Holder and entitled to a new lease in accordance with Section 13.4(h) in the event of termination of the Lease for any reason whatsoever, or if the Lease is rejected or disaffirmed pursuant to any bankruptcy, insolvency or other law affecting creditors' rights. In the event Lessor receives conflicting instructions as to whether Mortgage Lender or Mezzanine Lender is exercising such right to a new lease, Lessor shall not be required to provide such new lease unless it receives direction by joint instructions of Mortgage Lender and Mezzanine Lender or as directed by a court of competent jurisdiction.

17. Supplementing Section 15.1(b) of the Lease and for the avoidance of doubt, nothing in such Section 15.1(b) shall be applicable in the event of a (a) foreclosure or (b) deed or assignment in lieu of foreclosure, or other assignment of interest to the Lender, a wholly owned subsidiary of Lender, or the Lender's first assignee, by Mortgage Lender or Mezzanine Lender (or a wholly-owned subsidiary of such Lender), as applicable, in either case, in connection with Mortgage Lender's or Mezzanine Lender's exercise of its remedies pursuant to the Mortgage Loan or Mezzanine Loan, as applicable.

18. There shall be no merger of the Lease or the leasehold estate created by the Lease with a fee interest in the Real Property by reason of the fact that the same person may acquire, own or hold, directly or indirectly, the Lease or the leasehold estate created by the Lease and the fee estate in the Real Property, unless and until such person and each Lender shall join in a written instrument expressly providing for such merger and such instrument is recorded.

19. Nothing in this Consent shall be construed to constitute a lien or encumbrance upon the Lessor's fee interest in the Real Property.

20. The address for notices to the Lessor is as follows:

City of Redondo Beach
415 Diamond Street
Redondo Beach, California 90277-0167
Attention: City Clerk

With copy to:

Waterfront & Economic Development Department
City of Redondo Beach
415 Diamond Street
Redondo Beach, California 90277
Attention: Director

With copy to:

City of Redondo Beach
415 Diamond Street
Redondo Beach, California 90277
Attention: City Attorney

- (a) The address for notices to Lessee is as follows:

Portofino Hotel Partners, L.P.
C/O Noble House Hotels & Resorts
500 Kirkland Way, Suite 100
Kirkland, Washington 98033
Attention: General Counsel

- (b) The address for notices to Mortgage Lender is as follows:

GSF 2023-1 LLC
2828 Routh Street, Suite 655
Dallas, Texas 75201
Attention: Justin Short
Email: jshort@grantstreetfunding.com

With a copy to:

Haynes and Boone, LLP
30 Rockefeller Plaza, 26th Floor
New York, New York 10112
Attention: Adam Feimer, Esq.
Email: Adam.Feimer@haynesboone.com

With a copy to:

GSF 2023-1 LLC
11501 Outlook Street, Suite 300
Overland Park, Kansas 66211
Email: todd_reynolds@keybank.com and michelle_engle@keybank.com

- (c) The address for notices to Mezzanine Lender is as follows:

Axonic Alternative Income Fund
520 Madison Avenue, 42nd Floor
New York, New York 10022
Attention: CRE Desk
Email: cre@axoniccap.com

With a copy to:

Reed Smith LLP
599 Lexington Avenue
New York, New York 10022-7650
Attention: Randy Eckers, Esq.
Email: reckers@reedsmith.com

21. Lessor confirms that the "King Harbor Association" is an "Association" within the meaning of Section 27 of the Lease, that Lessee is a member of the King Harbor Association, that Lessee is not currently in default with respect to its obligations to the King Harbor Association, and that Lessee's membership in the King Harbor Association satisfies the requirements of Section 27 of the Lease. Lessor's representations in this paragraph 21 are based upon information provided to Lessor by the King Harbor Association.

22. Notwithstanding any provision of the Lease to the contrary, (i) Lessee shall promptly notify each Lender of any casualty or condemnation; (ii) each Lender may participate in any adjustment, negotiation, or settlement of insurance proceeds or condemnation award and shall have the right to approve any settlement; (iii) any such funds shall be held by a financial institution, chosen by the Lenders and reasonably acceptable to Lessor, (iv) any such funds shall be released from time to time to pay for restoration under reasonable disbursement procedures, which procedures have been reasonably approved by Lessor, and (v) except upon a total condemnation, the Lease shall continue and the Lessee shall be responsible for restoring the remaining premises.

23. The factual statements contained herein may be relied upon by each Lender and Lessor; however, this Consent creates no duties or obligations of Lessor under either Loan. The undersigned persons hereby certify that they are duly authorized to execute and deliver this Consent on behalf of Lessor and Lessee, respectively.

24. Lessee joins in this Consent for the purpose of acknowledging and consenting to the terms hereof. Lessee represents and warrants to Lessor that all information and documentation provided to Lessor with respect to the Loans, including but not limited to the statements set forth in this Consent, are true and correct as of the date of this Consent. Further, Lessee acknowledges and agrees that in providing this Consent, Lessor is relying on the Loan documentation and representations of the Lessee. Lessee confirms that the Loan and DOT and Pledge Agreement are and shall remain subject to and subordinate to the Lease, and do not encumber the tide or submerged lands or Lessor's fee simple title to the Real Property.

25. This Consent shall be construed in accordance with the laws of the State of California without regard to principles of conflicts of law. In the event of any dispute arising hereunder, venue for any action shall reside exclusively in the Superior Court of the County of Los Angeles, Southwest Judicial District.

26. This Consent is not intended to expand, modify, diminish, or amend any of the definitions, terms or conditions of the Lease, nor to add, alter or diminish any of the rights or any of the obligations of Lessor, Lessee, Mortgage Lender, or Mezzanine Lender, under the Lease.

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EXECUTED, by Lessor and Lessee on the date first written above:

LESSOR:

CITY OF REDONDO BEACH, a California
charter city and municipal corporation

By: _____
James A. Light, Mayor

ATTEST

By: _____
Eleanor Manzano, City Clerk

APPROVED AS TO FORM

By: _____
Michael W. Webb, City Attorney

LESSEE:

PORTOFINO HOTEL PARTNERS, L.P.,
a California limited partnership

By Portofino Mezz GP, LLC,
a Delaware limited liability company,
its General Partner

By: Portofino Mezz Partners, LLC,
a Delaware limited liability company,
its Sole Member

By: Portofino Associates, LLC,
a Delaware limited liability company,
its Managing Member

By: Noble House Associates, LLC,
a Delaware limited liability company,
its Sole Member

By: Colee Family Trust u/t/d December 30, 1997,
a Washington trust,
its Manager

By: 
James P. Colee, Family Business Co-Trustee

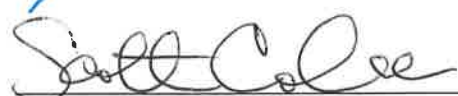
By: 
Scott C. Colee, Family Business Co-Trustee

EXHIBIT A
REAL PROPERTY

(On File in City Clerk's Office)

EXHIBIT B

LEASE

(On File in City Clerk's Office)

EXHIBIT C

**PORTOFINO HOTEL & YACHT CLUB
CITY OF REDONDO BEACH / PORTOFINO HOTEL PARTNERS L.P.
PERCENTAGE RENTAL**

	Categories	Percentage
1	Boat slips	25.50
2	Storage Lockers	25.50
3	Boat Brokerage - % of gross commissions	15.00
4	Sale of new boats: a. on 1st \$400,000 per yr. b. on 400,000-600,000 per yr. c. excess \$600,000 per yr.	a. 1.00 b. 1.25 c. 1.50
5	Sale of used boats	1.00
6	Retail sale of marine hardware, accessories, paint, part, tackle	8.00
7	Vending machines	9.00
8	Marine insurance	5.00
9	Service afloat	50.00
10	Apartments, hotels and motel rooms: a. Apartments b. Hotel and motel rooms	a. 10.50 b. 7.50
11	Packaged liquor, beer & wine	5.00
12	Office space	10.00
13	Fuel, marine service station	5.50
14	Bait, tackle, ice, sundries & other supplies	5.50
15	Restaurant & bar	3.50
16	Retail sales of sportswear, clothing & souvenirs	5.00
17	Paid parking	30.00
18	Pay toilets	5.00
19	Laundry valet	50.00 (of discount allowed Lessee)
20	Guest Telephone	0.10
21	Slip late fees	25.50
22	Transportation for food from restaurant	3.50
23	Car rental commission	50.00
24	Sailing Lessons	7.50
25	Boat & Motor rental a. w/out motor, dry stored b. w motor, dry stored	a. 20.00 b. 12.50