

Recording requested by,
and when recorded mail to:)

BARCLAYS BANK PLC)
Attention: Michael S. Birajiclian)
745 Seventh Avenue)
New York, New York 10019)
)

Above Space for Recorder's Use

LESSOR ESTOPPEL CERTIFICATE

[FOUR POINTS BY SHERATON - MONTGOMERY FIELD AIRPORT]

THIS LESSOR ESTOPPEL CERTIFICATE (the "**Certificate**") dated as of July 18, 2013 (the "**Certificate Date**"), is made by THE CITY OF SAN DIEGO, a California municipal corporation ("**City**"), in favor of BARCLAYS BANK PLC, a public company registered in England and Wales, and its successors and assigns, as lender and leasehold mortgagee ("**Lender**"). City hereby certifies to Lender as follows:

1. Recitals. This Certificate is made with reference to the following facts:

1.1 The Ground Lease. City, as ground lessor, and 8110 AERO DRIVE HOLDINGS, LLC, a California limited liability company ("**Lessee**" or "**Borrower**"), as ground lessee by assignment, are parties to that certain PERCENTAGE LEASE dated October 17, 1983, by and between City and Montgomery Airport Hotel, Ltd., a Texas limited partnership, and filed in the Office of the San Diego City Clerk on October 17, 1983, as Document No. RR-259434, as amended by that certain FIRST AMENDMENT TO LEASE AGREEMENT dated July 28, 2003, and filed in the Office of the San Diego City Clerk in July 29, 2003, as Document No. RR-259434-9, and as amended by that certain SECOND AMENDMENT TO PERCENTAGE LEASE dated April 6, 2012, and filed in the Office of the San Diego City Clerk on March 20, 2012, as Document No. RR-307331 (collectively, the "**Ground Lease**"). The Ground Lease pertains to the leasing of that certain real property owned by City, commonly known as Lots 14 and 15 of Montgomery Field Airport in San Diego, California, and more particularly described in the Ground Lease (the "**Premises**").

1.2 The Loan. City has been informed and hereby acknowledges that Lender intends to make a loan to Lessee (the "**Loan**") in the original principal amount not to exceed Nine Million Five Hundred Thousand Dollars (\$9,500,000), to be secured by a Lessee's Leasehold Deed of Trust, Assignment of Leases and Rents and Security Agreement by and with Lessee (the "**Deed of Trust**") encumbering Lessee's leasehold interest in and to the Premises ("**Lessee's Leasehold**"). The Deed of Trust and the other documents and instruments evidencing and securing the Loan are collectively referred to herein as the "**Loan Documents**."

2. Consent and Acknowledgement by City. City hereby consents to Lessee's pledge, mortgage and hypothecation of Lessee's Leasehold in connection with the Loan,

including the assignment to Lender of Lessee's Leasehold (including without limitation Lessee's interest in the Right of First Refusal set forth in Section IV.C.30 of the Ground Lease) and all subleases of the Premises or any portion or portions thereof. City acknowledges and agrees that as of the Certificate Date Lender qualifies as acceptable under the criteria of the second sentence of Section IV.A.3 of the Ground Lease. Provided Lender is then at least as qualified as on the Certificate Date, City's consent shall not be required for Lender to foreclose or otherwise enforce its rights under the Loan (including accepting an assignment in lieu of foreclosure) and to assume Lessee's Leasehold.

3. Defined Terms. As used in this Certificate: (a) "**Institutional Investor**" shall mean any entity which satisfies the criteria of the second sentence of Section IV.A.3 of the Ground Lease, which may include without limitation a savings bank, savings and loan association, commercial bank, investment bank, trust company, credit union, insurance company, college, university, real estate investment trust, or pension fund (in each case acting as trustee or otherwise), together with their respective affiliates, or a REMIC Trust (defined below), and shall also include any entity controlled by an Institutional Investor which also satisfies the criteria of the second sentence of Section IV.A.3 of the Ground Lease; and (b) "**REMIC Trust**" shall mean a "real estate mortgage investment conduit" within the meaning of Section 860D of the Internal Revenue Code of 1986, as amended, as it may be further amended from time to time, and any successor statutes thereto, and all applicable U.S. Department of Treasury regulations issued pursuant thereto in temporary or final form. All references to "mortgagee" or "beneficiary" herein and in the Ground Lease shall mean Lender, and Lender shall be entitled to all the rights of a mortgagee or beneficiary under the Ground Lease and this Certificate. The term "foreclosure" as used in the Ground Lease and this Certificate shall include a judicial foreclosure or a foreclosure by power of sale.

4. Certifications.

4.1 Authority; Ground Lease. City has full power and authority to execute and deliver this Certificate. The Ground Lease on file in the Office of the San Diego City Clerk is a true, correct and complete copy of the Ground Lease.

4.2 No Transfer of Interest. City is the lessor under the Ground Lease. City has not transferred its interest under the Ground Lease. Lessee is the lessee under the Ground Lease.

4.3 Term of Ground Lease. The Ground Lease is in full force and effect. The term of the Ground Lease expires on October 31, 2052, unless sooner terminated pursuant to the terms of the Ground Lease.

4.4 No Default. To the current actual knowledge of City's Real Estate Assets Department, no default, or any event or condition which, with the passing of time or the giving of notice, or both, would constitute a default on the part of City or Lessee, exists under the Ground Lease. To the current actual knowledge of City's Real Estate Assets Department, Lessee has no offsets, counterclaims, defenses, deductions or credits whatsoever with respect to the Ground Lease. The Ground Lease is the entire agreement between City and Lessee regarding the rights and obligations therein contained.

4.5 Rent. To the current actual knowledge of City's Real Estate Assets Department, all rents, charges and amounts due to City pursuant to and in accordance with the respective terms of the Ground Lease have been paid as of the Certificate Date: Percentage Rent is determined and paid monthly in arrears in accordance with the percentage rent schedule in Section III of the Ground Lease. The percentage rates for the percentage rent were adjusted on July 28, 2003, and are scheduled for adjustment each ten years thereafter in accordance with Section III.B.4 of the Ground Lease. Minimum annual rent is accounted for, and if due and owing, payable annually on November 30 of each year in accordance with Sections III.B and III.E.1 of the Ground Lease. The current annual minimum rent under the Ground Lease is \$540,765.67. The next minimum rent adjustments under the Ground Lease are scheduled to occur on November 1, 2013, and prior to the end of every third year thereafter in accordance with Section III.E.2 of the Ground Lease. The current rent payable under the Ground Lease is the greater of the minimum rent or the percentage rent described in Paragraph G. of the First Amendment, and an additional \$6,726.36 per month in accordance with Paragraph 2 of the Second Amendment.

4.6 Uses in Compliance. To the current actual knowledge of City's Real Estate Assets Department, Lessee's current uses of the Premises comply with the requirements of the Ground Lease. City's Real Estate Assets Department has not received written notice that Lessee is in violation of any governmental law or regulation applicable to Lessee's Leasehold and its operation thereon and has no reason to believe that there are grounds for any claim of such a violation.

4.7 Lender Foreclosure. In the event of a default under the Deed of Trust and the foreclosure or transfer in lieu of foreclosure of Lessee's Leasehold to Lender (i.e. the mortgagee or beneficiary) or a third party buyer (whether through the foreclosure sale or by transfer from Lender in the event Lender is the successful bidder at the foreclosure sale), City agrees that if such foreclosure or transfer does not result in a Net Financial Gain for Lender, then notwithstanding the contrary provisions of Section IV.A.2 of the Ground Lease City will not require, as a condition to approval of any such assignment, that the proposed assignee pay additional rent to City to equal the full fair market rent justifiable at the date of such proposed assignment. "**Net Financial Gain**" shall be defined as any consideration received, due, or credited Lender in excess of the outstanding balance of the debt secured by the Leasehold and Ground Lease and which is the basis of the foreclosure or transfer action, after deducting the typical and reasonable expenses for commercial loans, carrying costs, and foreclosure and/or note transfer expenses. City further consents and agrees that in the event the Deed of Trust should at any time be in default and be foreclosed (or if the Ground Lease should be assigned to Lender), then Lender shall be entitled to succeed to the Lessee's Leasehold, and such succession shall not constitute a breach of any provision of the Ground Lease prohibiting subletting or assignment or any other provisions of the Ground Lease. After a foreclosure of the Loan, the new lessee shall cause and maintain a hotel franchise arrangement with a franchisor having a reputation, image and experience equal to or better than that of the current franchisor, Sheraton Four Points Hotel. Following any such default or foreclosure (or assignment in lieu thereof) and during such period as Lender shall be endeavoring in good faith to find a franchisor and/or a new operator, Lender shall enjoy the right to operate (directly or through agents) the hotel and related facilities located on the Premises. In the event of any assignment of the Ground Lease to a "new operator" by Lender, Lender (or the successor Leasehold mortgagee or beneficiary or third party

buyer, as applicable) shall have no further obligation under the Ground Lease. As used herein, the term “**new operator**” shall mean a new owner of the Lessee’s Leasehold and any organization which such owner shall have engaged to manage the business for which the Ground Lease was granted, provided that such operator has a favorable business reputation and is financially capable and qualified to conduct the business for which the Ground Lease was granted. For purposes of this provision, the following shall apply: (i) “**a favorable business reputation**” shall mean a reputation determined by City on a non-discriminatory basis to be consistent with the public trust in which the Premises is held, including without limitation the absence of a reputation for dishonesty, criminal conduct, or association with criminal elements; and (ii) the determination as to whether a person is “**financially capable and qualified to conduct the business for which the Ground Lease was granted**” shall be according to the standards for such characteristics applied generally by City to new or renewal tenants of City.

4.8 City’s Right to Consent. No assignment, transfer, or encumbrance of any right, title, interest or security in the Lessee’s Leasehold, including assignment to an Institutional Investor and all transfers to any third-party buyer (but excluding assignments or transfers to Lender), and no franchisor, new operator, or new lessee agreement (other than a substitution of Lender as the new lessee pursuant to Section IV.C.25.b of the Ground Lease) regarding the Premises, shall become effective without the written consent of City, in each instance, after the prior and complete disclosure of the name, identity and precise interests of all persons directly or indirectly involved in the proposed transaction, pursuant to San Diego City Charter section 225. City’s rejection of any such disclosed person shall be at City’s sole and absolute reasonable discretion.

4.9 Development Plan. To the current actual knowledge of City’s Real Estate Assets Department, the Premises (exclusive of Parcel B described in the Ground Lease) have been developed in accordance with the General Development Plan described in Section IV.B.8 of the Ground Lease, and all requirements of such Section IV B.8 have been satisfied. With respect to Parcel B described in the Ground Lease, City hereby acknowledges and agrees that, as of the Certificate Date and based on information currently actually known by City’s Real Estate Assets Department, the development of Parcel B in accordance with the General Development Plan on file with City is not currently economically feasible. Further, City hereby acknowledges and agrees that in the event the City, in the future, exercises its right of reverter described in Section IV.B.8 as to Parcel B (“Right of Reverter”), the exercise of such right will not in and by itself result in a termination or proration of the Ground Lease. In addition, in the event City exercises its Right of Reverter, City agrees to not require the removal of any portion of the main hotel structure on the Premises which encroaches into Parcel B, subject to the main hotel structure and the Premises satisfying all applicable zoning laws, in, including without limitation set-back and lot coverage requirements under the San Diego Municipal Code, and provided that City is compensated for any reduced value in the highest and best development and use of Parcel B caused by the encroachment of the main hotel structure on Parcel B.

4.10 Need for Lender’s Consent. City agrees that the Ground Lease shall not be modified, terminated, amended, altered or cancelled, nor shall a surrender of the Premises be accepted by City, without the prior written consent of Lender, and that any such action taken without Lender’s consent shall not be binding on Lessee or Lender, with the exception of

termination of the Ground Lease by City for a default on the part of Lessee, subject to the rights of Lender to cure such defaults or obtain a New Lease (defined below) in accordance with the terms of the Ground Lease and this Certificate. Other than as stated in the Ground Lease, in no event shall any of the foregoing be deemed to require City to notify Lender of any such modification, termination, amendment, alteration, cancellation, or surrender of the Ground Lease

5. Condemnation or Destruction.

5.1 In the event of condemnation or destruction of all or any portion of the Premises, the rights of Lender shall be subject to the terms and conditions of the Ground Lease. In the event of any conflict between the provisions of the Loan Documents and the Ground Lease, the provisions of the Ground Lease shall control over all provisions of the Loan Documents. This provision of this Certificate shall not limit or restrict in any manner City's right to exercise its power of eminent domain as a governmental entity. To the current actual knowledge of City's Real Estate Assets Department, City has not received written notice of any pending eminent domain proceedings or other governmental actions or any judicial actions of any kind against City's interest in the Premises.

6. Default by Lessee under the Ground Lease.

6.1 Notwithstanding anything to the contrary in the Ground Lease, for so long as Lender encumbers the Lessee's Leasehold, if City asserts a claim that Lessee or the holder of Lessee's Leasehold has failed to perform an obligation under the terms of the Ground Lease or is otherwise in default under the Ground Lease in any respect, City shall promptly deliver written notice thereof to Lender at the address provided in this Certificate. City may not exercise any rights that it might otherwise have on account of such failure or default until and unless such notice has been given, and Lender shall have thirty (30) days from such service of said notice to cure the default(s) or, if any such default is not curable within thirty (30) days, to commence to cure the default and diligently pursue such cure to completion. Provided Lender is diligently pursuing curing the default, the thirty (30)-day period shall be extended for such longer period as may be required to complete such cure, including without limitation such time as may be required for Lender to gain possession of Lessee's Leasehold, and further provided that Lender notifies City of its intention to cure such default and Lender promptly commences and diligently pursues such cure to completion. With respect to defaults that are not susceptible to performance or cure by Lender, which does not include payment of any outstanding rent balances of Lessee, City shall be deemed to have waived such default with respect to Lender following Lender's gaining possession of the Lessee's Leasehold. Upon notice of default, Lender may do any act or thing required of Lessee under the Ground Lease, and any such act or thing done and performed by Lender shall be as effective to prevent a forfeiture of Lessee's rights under the Ground Lease as if done by Lessee itself.

6.2 So long as Lender is prevented by any process or injunction issued by any court or by any statutory stay, or by reason of any action by any court having jurisdiction of any bankruptcy or insolvency proceeding involving Lessee, from commencing or prosecuting foreclosure or other appropriate proceedings in the nature thereof, Lender shall not be deemed for that reason to have failed to take or diligently prosecute the proceedings necessary to gain the legal right to enter the Premises or to cure the non-monetary default, provided that Lender uses

reasonable efforts to contest and appeal the issuance or continuance of any such process, stay or injunction.

6.3 Excluding payment of any outstanding rent balances of Lessee, Lender shall not be required to perform any act or cure any default under the Ground Lease that is not susceptible to performance or cure by Lender. If Lender commences an action to foreclose or enforce any other remedies under the Loan Documents, and thereafter all defaults are cured, City agrees to not terminate the Ground Lease and City shall accept Lender, and any Lender's assignee(s) who satisfy the criteria of the second sentence of Section IV.A.3 of the Ground Lease, as substitutes and successors to all lessee rights under the Ground Lease.

7. Premature Termination. If the Ground Lease is terminated prior to its stated expiration as a result of (i) any default by Lessee under the Ground Lease, or (ii) any actual or deemed rejection of such Ground Lease by Lessee under any provision of Title 11 of the U.S. Code or due to extreme circumstances (such as war, riot, etc.) not presently anticipated, then City will give written notice to Lender of such termination, together with a statement of any and all sums which would at that time be due under the Ground Lease ("**Termination Notice**") and Lender shall have the option upon payment to City of all amounts owing reflected on said statement to become the substituted lessee under the Ground Lease (by assignment and recognition) pursuant to Section IV.C.25.b.

7.1 Subordination. City acknowledges that the Ground Lease (including Section 8 of the Special Conditions of the Ground Lease) does not give City or Lessee the right to subordinate the Ground Lease, or any modifications or amendments to the Ground Lease, to any mortgage or deed of trust that may be placed by City on its fee interest in the Premises, and City further agrees not to enter into any such subordination during the term of the Loan. Nothing in this Section prohibits City's ability and right to encumber its interest in the Real Property, nor does anything in this Section modify the requirement that the Ground Lease shall remain subordinate to any existing or future agreements between City and the United States, as stated in Section 8 of the Special Conditions-Airports of the Ground Lease.

7.2 No Automatic Rejection of the Lease. Subject to the terms of this Certificate, unless Lender otherwise consents in writing, City hereby waives, and agrees not to assert or otherwise take the benefit of, Section 365(d) for or any other applicable provisions of the United States Bankruptcy Code (11 U.S.C. §101 et seq.), which may cause the termination of the Ground Lease, or otherwise render it unenforceable in accordance with its terms, whether automatically by operation of law, or otherwise, so long as Lessee or Lender is (a) keeping rent current (b) otherwise complying with the terms of the Ground Lease to the extent reasonably possible prior to possession of the Premises by Lender, and (c) exercising its rights to cure any default as provided for in the Ground Lease or this Certificate.

7.3 City Recourse. Provided that Lender is diligently pursuing its remedies in accordance with this Certificate and is diligently curing or attempting to cure all defaults under the Ground Lease which are capable of being cured by Lender, then: (a) City shall not terminate the Ground Lease in accordance with the cure rights afforded Lender herein and in the Ground Lease; and (b) the provisions of the last sentence of Section IV.C.25.b.(3) and Section IV.C.25.c of the Ground Lease shall not apply.

8. Lender's Liability under the Lease. Lender or its nominee, or any purchaser, assignee or transferee, as the case may be, shall be liable to perform the obligations imposed on Lessee under the Ground Lease only for and during the period it is in ownership of the Lessee's Leasehold.

9. Subleases. Upon any termination of the Ground Lease pursuant to Section 6 above, or any situation in which Lessee is in default, so long as Lender is acting to preserve the Lessee's Leasehold in accordance with the Ground Lease and this Certificate, City shall not disturb the possession of any sublessee of the Premises so long as such sublessee is not in default under its sublease, which is subordinate to the Ground Lease.

10. Notices. Each notice and other communication required or permitted to be given under this Certificate (“**Notice**”) must be in writing. Notice is duly given to another party upon: (a) hand delivery to the other party, (b) receipt by the other party when sent by facsimile to the address and number for such party set forth below (provided, however, that the Notice is not effective unless a duplicate copy of the facsimile Notice is promptly given by one of the other methods permitted under this paragraph or via certified mail, return receipt requested), (c) the next business day after the Notice has been deposited with a reputable overnight delivery service, postage prepaid, addressed to the party as set forth below with next-business-day delivery guaranteed, provided that the sending party receives a continuation of delivery from the delivery-service provider.

If to City: The City of San Diego
Real Estate Assets Department, Airports Division
3750 John J. Montgomery Drive
San Diego, CA 92123
Facsimile: (858) 279-0536

and to: The City of San Diego
Real Estate Assets Department
Attn: Director
1200 Third Avenue, Suite 1700
San Diego, CA 92101
Facsimile: (619) 236-6706

If to Lessee: 8110 Aero Drive Holdings, LLC
8110 Aero Drive
San Diego, CA 92123
Attn: Ralph Burni
Facsimile: (619) 231-9012

If to Lender: Barclays Bank PLC
Attention: Michael S. Birajiclian, Managing Director
745 Seventh Avenue
New York, New York 10019
Attention: Michael S. Birajiclian, Managing Director

with a copy to: Hunton & Williams LLP
Attn: Mitchell G. Williams, Esq.
200 Park Avenue, 52nd Floor
New York, NY 10166
Fax: (917) 591-3248

Each party shall make commercially reasonable efforts to ensure that it will accept or receive Notices to them that are given in accordance with this paragraph. City, Lessee and Lender may change its address for purposes of this paragraph by giving the other parties written notice of a new address in the manner set forth above.

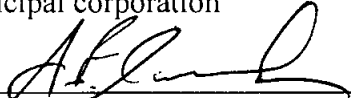
11. Further Certificates. From time to time upon Lessee's reasonable request (both as to frequency and prior notice), City shall certify by written instrument duly executed and acknowledged to the person designated by Lessee in its request and reasonably requiring it in relation to the Loan: (a) whether the Ground Lease has been supplemented or amended, and if so, the substance and manner of such supplement or amendment; (b) the validity and force and effect of the Ground Lease; (c) the existence of any relevant offsets, counterclaims or defenses of Lessee's; and (d) the expiration date of the term of the Ground Lease. Any such certificate shall be provided at a cost equal to City's then-applicable rates, as may be set from time to time by City, which as of the Certificate Date is \$670.

12. Modification. This Certificate may be modified only by an agreement in writing executed by City, Lessee and Lender.

13. Incorporation of Recitals and Exhibits. Each of the recitals herein and exhibits attached hereto is incorporated herein and made a part hereof.

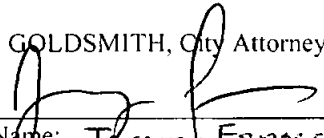
IN WITNESS WHEREOF, this Certificate is given with the understanding that it constitutes a material inducement for Lender in making the Loan to Lessee, and that Lender may rely on it in making the Loan to Lessee. This Certificate shall inure to the benefit of Lender and its successors and assigns, and shall be binding on City and its legal representatives, successors and assigns. This Certificate is executed and effective as of the Certificate Date.

THE CITY OF SAN DIEGO, a California
municipal corporation

BY: 
James F. Barwick, CCIM
Director, Real Estate Assets

Approved as to form and legality:

JAN I. GOLDSMITH, City Attorney

BY: 
Name: Jeremy Fonseca
Title: Deputy City Attorney

ACKNOWLEDGMENT

State of California)
County of San Diego)

On July 18, 2013, before me, Teresa Dolores Morse, Notary Public, personally appeared James F. Barwick, who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature

Teresa Dolores Morse (Seal)



Acknowledgement of Syndication into REMIC Trust

Barclays Bank PLC, a public company registered in England and Wales ("**Barclays**") has made (or will make) a loan in the original amount of up to \$9,500,000 (the "**Loan**") to 8110 Aero Drive Holdings, LLC, a California limited liability company ("**Borrower**") to be secured by Borrower's interest in that certain Percentage Lease dated October 17, 1983, as amended ("**Ground Lease**") between the City of San Diego, a California municipal corporation ("**City**"), as ground lessor, and Borrower, as ground lessee, with regard to certain premises commonly known as Lots 14 and 15 of Montgomery Field Airport in San Diego, California, and more particularly described in the Ground Lease.

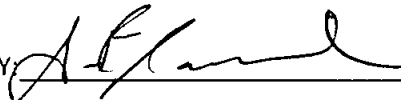
The Loan, together with a relatively large number of other loans originated by Barclays and other lenders will be assigned to Wells Fargo & Company, a Delaware registered corporation as trustee for the REMIC trust ("**REMIC Trust**"), which will then be the owner and mortgagee (or if a deed of trust, beneficiary) of all of the loans in the trust. The trustee will retain a third party servicer to service the loans pursuant to a pooling and servicing agreement.

The City hereby consents to the assignment of the Loan by Barclays into the REMIC Trust.

AGREED:

THE CITY OF SAN DIEGO, a California municipal corporation

Date: 7/18/13

BY: 

Name: James F. Barwick, CCIM

Title: Director, Real Estate Assets