

ESTOPPEL CERTIFICATE AND AGREEMENT

Wells Fargo Bank, National Association
401 S. Tryon Street, 8th Floor
Charlotte, North Carolina 28202
Attention: Wells Fargo Commercial Mortgage Servicing
Facsimile No.: 844-879-5855

Re: Second Amended and Restated Ground Lease by and between the Housing Authority of the City of San Diego, a body corporate and politic (the "**Ground Lessor**"), as ground lessor, and Lincoln Mariners Associates Limited, a California limited liability company (together with any person succeeding to either interest, by consolidation, merger or acquisition of the respective assets substantially as an entirety, "**Ground Lessee**"), as ground lessee, effective as of July 1, 2015, (the "**Ground Lease**"), demising premises located in 4392 West Point Loma Boulevard, San Diego, CA 92107, being more particularly described in the Ground Lease as the "Property" (the "**Leased Property**").

The undersigned certifies to (a) Wells Fargo Bank, National Association, Morgan Stanley Mortgage Capital Holdings LLC, Societe Generale Financial Corporation, Bank Of Montreal, JPMorgan Chase Bank, National Association, Barclays Bank PLC, Goldman Sachs Bank USA, Bank Of America, N.A., and Deutsche Bank AG, New York Branch (together with any other co-lenders, alternate branches, or affiliate lenders, and/or any participant in the Loan and each of their respective successors and/or assigns, collectively, the "**Mortgage Lender**"), in connection with that certain loan made to Ground Lessee and certain affiliates of Ground Lessee (the "**Mortgage Loan**"), and (b) any potential mezzanine lender which may be providing financing (such financing, the "**Mezzanine Loan**"; and the Mezzanine Loan together with the Mortgage Loan is referred to herein as the "**Loan**") to entities which own direct and/or indirect interests in Ground Lessee and certain affiliates of Ground Lessee simultaneously with the making of the Mortgage Loan (such lenders, together with their successors and assigns, collectively, the "**Mezzanine Lender**"; the Mezzanine Lender and the Mortgage Lender are referred to herein as the "**Lender**"), with the understanding that Lender is relying on them in entering into the Loan, as follows as of the date hereof:

1. A true, correct and complete copy of the Ground Lease is attached hereto as Exhibit A, and the Ground Lease is in full force and effect, constitutes the legal binding and enforceable obligation of Ground Lessor, and has not been amended, modified, cancelled or supplemented from the version attached hereto. The Ground Lease has not been assigned except as described herein, and Ground Lessor is the current lessor under the Ground Lease and Ground Lessee is the current lessee under the Ground Lease.

2. The Commencement Date of the Ground Lease was July 1, 2015.

3. Ground Rent was last paid on [May/June] 1, 2024 in the amount of \$111,182.04. Additional installments of Ground Rent shall be paid monthly in advance on the first day of each month in accordance with the terms of the Ground Lease. Ground Lessor is not owed any past due monthly rental payments or any other payments under the Ground Lease.

4. The term of the Ground Lease shall, unless otherwise terminated or extended pursuant to the terms of the Ground Lease, expire on December 31, 2070.

5. Ground Lessee has not prepaid any Ground Rent or any other rent, fee, cost, reimbursement, or other amount or payment due under the Ground Lease.

6. Except as set forth in Section 7, below, to the actual knowledge of Ground Lessor, Ground Lessor has no charge, lien or claim due or to come due under the Ground Lease, and Ground Lessor has no setoffs, claims, counterclaims or defenses against the obligations under the Ground Lease to be performed by Ground Lessor. Neither Ground Lessor nor, to the actual knowledge of Ground Lessor, Ground Lessee has commenced any action or has given or received any notice for the purpose of terminating the Ground Lease. For purposes of this Estoppel Certificate and Agreement the term knowledge means the actual, personal knowledge of the undersigned.

7. Neither Ground Lessor nor Ground Lessee is in default under the Ground Lease and no notices of default have been issued by Ground Lessor under the Ground Lease, and except as discussed in this section, Ground Lessor has no actual knowledge of any event, which with the giving of notice, the passage of time or both would constitute a default by Ground Lessor or Ground Lessee under the Ground Lease. Section 2(b) of the Lease generally requires the Ground Lessee to make not less than \$25 million of capital improvements ("Minimum Capital Improvements") to the Mortgaged Property on or before July 1, 2021. The July 1, 2021, deadline was extended to July 1, 2022, by letter dated July 6, 2020, from Richard C. Gentry, then San Diego Housing Commission CEO, to Lincoln Mariners Associates Limited. For several years, the Ground Lessor and Ground Lessee engaged in negotiations with respect to the scope and timing of the Minimum Capital Improvements. Thus, pending the sooner to occur of (i) Housing Authority's determination to extend or eliminate the deadline for completion of the Minimum Capital Improvements, or (ii) one year from the date of this Estoppel Certificate and Agreement, Ground Lessor shall not enforce Ground Lessee's obligation to satisfy the Minimum Capital Improvements requirement nor declare a default in connection therewith.

8. There are no renewal or extension options, purchase options, rights of first refusal or the like in favor of Ground Lessee except for the renewal option described in Section 1(v) of the Ground Lease to extend the term of the Ground Lease until December 31, 2090.

9. To the actual knowledge of Ground Lessor, Ground Lessee has not assigned the Ground Lease and there are no subleases of the Leased Property other than residential leases or as described on Exhibit B hereto. Ground Lessor has not assigned, encumbered or otherwise mortgaged its fee estate in the Leased Property. The Lease is not subordinate, and has not been subordinated by Ground Lessor to any mortgage, lien or other encumbrance.

10. There is no suit, action, proceeding or audit pending or, to the actual knowledge of Ground Lessor, threatened, against or affecting Ground Lessor or the Leased Property or with respect to the Ground Lease at law or in equity or before or by any court, administrative agency, or other governmental authority, including any such action, proceeding, or audit that brings into question the validity of the Ground Lease, including, without limitation, a condemnation or eminent domain action or proceeding

11. No bankruptcy proceedings, whether voluntary or otherwise, are pending or, to Ground Lessor's actual knowledge, threatened, against Ground Lessor.

12. The undersigned representative of Ground Lessor is duly authorized and fully qualified to execute this instrument on behalf of Ground Lessor thereby binding Ground Lessor.

13. As of the date hereof, to the actual knowledge of Ground Lessor, Ground Lessee has satisfied its obligations with respect to the Affordability Provisions set forth in Article 4 of the Ground Lease.

14. The undersigned hereby acknowledges and agrees that (i)(x) the Ground Lessee's leasehold interest in the Leased Property shall be encumbered by Mortgage Lender's leasehold mortgage and Ground Lessor consents to the same, for all purposes, pursuant to Section 7(a) of the Ground Lease, (y) all of Ground Lessee's right, title and interest in, to and under the Ground Lease is being pledged to Mortgage Lender for collateral under the Mortgage Loan, and (z) this Estoppel Certificate and Agreement shall constitute notice of Mortgage Lender's Leasehold Mortgage on the Leased Property as described in Section 22(c) of the Ground Lease, and the Mortgage Lender is a Leasehold Mortgagee as such term is used in Section 22(c) of the Ground Lease and is entitled to all of the protections and benefits in relation thereto as described in the Ground Lease, (ii) Ground Lessor will, without any further consent or approval required by Ground Lessor pursuant to Section 6(b) of the Ground Lease, recognize Mortgage Lender (or its designee or nominee) as the "Ground Lessee" for all purposes under the Ground Lease following any foreclosure of Mortgage Lender's Leasehold Mortgage, or any assignment or deed in lieu thereof, including any transferee as the result of the first sale or transfer of the Leased Property after such foreclosure or assignment or deed in lieu thereof, provided such transferee meets the requirements set forth in Section 6(b)(1) (i.e., such transferee has the "experience in operating projects of similar size, must have sufficient financial wherewithal to operate, repair, maintain and manage the Project for the balance of the Term and potential option period"), and Ground Lessor will not disturb such party's quiet enjoyment of the Leased Property as long as such party meets the foregoing requirements and satisfies the obligation to pay Ground Rent under the Ground Lease, (iii) the parties intend that any new lease entered into pursuant to Section 22(c)(4) of the Ground Lease shall retain the same priority as the existing Ground Lease, (iv) that any future mortgage of its fee estate in the Leased Property shall be subject and subordinate to the Ground Lease and the Leasehold Mortgage in all respects, (v) provided the transferee (other than Mortgage Lender) meets the requirements set forth in Section 6(b)(1), no foreclosure, assignment or deed in lieu thereof, or other exercise of Mortgage Lender's remedies under the Mortgage Loan shall be deemed a transfer for purposes of Section 6(b)(1) of the Ground Lease and no consent from Ground Lessor shall be required in relation thereto, and (vi) Lessor acknowledges that, for purposes of Section 18(g) of the Ground Lease, Lessee has assigned its rights to any Condemnation Proceeds (as defined in the Ground Lease) pursuant to the Leasehold Mortgage.

15. From and after the date hereof, Ground Lessor shall send Lender copies of all notices of default hereafter given by the Ground Lessor to Ground Lessee under the Ground Lease, at the following addresses (or to such other address as Lender may hereafter designate by written notice to Ground Lessor) in accordance with the delivery methods set forth in the Ground Lease:

Wells Fargo Bank, National Association
Wells Fargo Commercial Mortgage Servicing
401 S. Tryon Street, 8th Floor
Charlotte, North Carolina 28202
Facsimile No.: (704) 715-0034

with a copies to:

Cadwalader, Wickersham & Taft LLP
650 South Tryon Street, Suite 1400
Charlotte, NC 28202
Attention: Holly M. Chamberlain, Esq.
Facsimile No.: (704) 348-5200

Any capitalized terms used but not defined herein shall have the meaning ascribed to such term in the Ground Lease.

This Estoppel Certificate and Agreement shall inure to the benefit of Lender and its successors and assigns and shall be binding upon Ground Lessor and Ground Lessee, and their respective successors, heirs and assigns.

Dated: 6/13/, 2024

GROUND LESSOR:

Housing Authority of the City of San Diego, a
body corporate and politic

By: 

Lisa Jones, President and CEO

APPROVED AS TO FORM:

Christensen & Spath LLP

By: 

Walter F. Spath III

Commission General Counsel

EXHIBIT A

Ground Lease

(Attached)

EXHIBIT B

Assignments and Subleases

[None.]