

LESSOR AGREEMENT

THIS LESSOR AGREEMENT (the "Agreement") is entered into as of May 20, 2025 (the "Effective Date"), by the **CITY OF REDONDO BEACH**, a chartered municipal corporation organized under the laws of the State of California ("Lessor"), **SUNRISE-HARBOR, LTD.**, a California limited partnership ("Lessee"), for the benefit of **WESTERN ALLIANCE BANK**, an Arizona corporation ("WAB") and its successors and assigns, as permitted herein.

A. Lessor is the owner of real property commonly known as 400 N. Harbor Dr., Redondo Beach, California, consisting of an approximately 2.32 acre parcel more particularly described in Exhibit "A" attached hereto (the "Premises").

B. Lessor has leased the Premises to Lessee pursuant to that certain Lease dated as of December 18, 2013, as amended by the First Amendment to Lease dated as of June 1, 2021 (as may be further Modified from time to time with Lender's written consent, the "Lease"). All Section references in this Agreement refer to the Lease and all capitalized terms used and not otherwise defined shall have the meanings set forth in the Lease.

C. A memorandum of the Lease was recorded in the Official Records of the County of Los Angeles, State of California.

D. On or around the date hereof, Lessee is obtaining a new loan in the amount of \$15,000,000 (the "WAB Loan") from WAB, which WAB Loan will refinance existing debt of Lessee, and which WAB Loan is evidenced by, inter alia, a Loan Agreement ("WAB Loan Agreement"), and is secured by, inter alia, a Leasehold Deed of Trust, Security Agreement, Assignment of Leases and Rents, Financing Statement, and Fixture Filing (the "WAB Leasehold Mortgage"), and is further evidenced, secured, guarantied and supported by certain "Loan Documents" as further described in the WAB Loan Agreement (the "WAB Loan Documents").

E. Lessor will continue to benefit from the operation of the improvements, including through the payment of rent pursuant to the Lease.

F. As a condition to making the WAB Loan and entering into the WAB Loan Documents, WAB has required that Lessor and Lessee enter into this Agreement for the benefit of Lender (as defined herein).

NOW, THEREFORE, for and in consideration of the foregoing recitals and other good and valuable consideration the receipt of which is hereby acknowledged, the parties hereto hereby agree:

1. *Defined Terms.* The terms below shall have the following meanings:

a. "Developer Property" shall mean the leasehold interest in the Premises, together with all other improvements, fixtures, real property interests, and personal property interests related thereto securing any Loan, including the Improvements and the Hotel.

b. "Foreclosure Event" shall mean upon the occurrence of a Loan Event of Default, (i) a foreclosure under one or more of the applicable Loan Documents that results in the transfer of title to the Premises from Lessee to a Foreclosure Transferee or (ii) a transfer in lieu of the foreclosure described in clause (i) above to a Foreclosure Transferee.

c. "Foreclosure Transferee" shall mean the Person that succeeds to the ownership of the Premises following a Foreclosure Event, which Person may be Lender or an Affiliate of Lender, but shall not be Lessee or any Affiliate of Lessee.

d. "Leasehold Mortgage" shall mean the WAB Leasehold Mortgage and any other leasehold deeds of trust, mortgages, assignments, pledges, or security interests subsequently entered into by the owner of the Developer Property and securing a Loan, all as the same may be Modified.

e. "Lender" shall mean WAB together with (i) its successors and assigns as the holder of the WAB Loan, (ii) any lender under any Replacement Financing, together with its successors and assigns as the holder of such Replacement Financing; and (iii) if a Foreclosure Event has occurred, any purchaser or transferee of the Developer Property subject to such Foreclosure Event, and any subsequent owner of the Developer Property from and after such Foreclosure Event.

f. "Loan" shall mean the WAB Loan and any Replacement Financing.

g. "Loan Agreement" means the WAB Loan Agreement and any other loan agreement subsequently entered into by the owner of the Developer Property and evidencing a Loan, all as the same may be Modified.

h. "Loan Documents" means the WAB Loan Documents, any subsequently executed Loan Agreement, and any other additional loan documents further evidencing, securing, guarantying or supporting a Loan described further in such Loan Agreement, all as the same may be Modified.

i. "Loan Event of Default" means an "Event of Default" as defined in the Loan Agreement.

j. "Modifications" shall mean any amendments, supplements, modifications, renewals, replacements, consolidations, severances, substitutions and extensions of any document or instrument from time to time; "Modify", "Modified," or related words shall have meanings correlative thereto.

k. "Person" shall mean an individual, partnership, corporation, limited liability company, business trust, joint stock association, trust, unincorporated association, joint venture or Governmental Authority.

l. "Replacement Financing" shall mean any financing secured by the Developer Property, the proceeds of which are used to repay the WAB Loan or any then existing Replacement Financing.

m. "Lessee" shall mean Lessee together with its permitted successors and assigns pursuant to the Lease and this Agreement.

2. *Lessor General Acknowledgements.* Lessor hereby acknowledges, represents, warrants, confirms and agrees for the benefit of Lender:

a. Due Authorization, Execution and Delivery. Lessor is duly authorized to execute, and has duly executed and delivered, this Agreement. No consent by any court, agency, bureau, or other third party, governmental or nongovernmental (except any such consents that have been obtained), is required for Lessor to execute and deliver this Agreement.

b. Lessor Status. Lessor: (a) is the Lessor under the Lease; (b) has not conveyed, mortgaged, or assigned the Premises or Lessor's interest in the Lease; and (c) has not agreed to do so. The current address for notices, demands and communications to Lessor under the Lease is as follows:

City of Redondo Beach
415 Diamond Street
Redondo Beach, CA 90277
Attention: City Clerk

With a copy to:

City Attorney's Office and City Manager's Office

c. Lessee Status. Lessor has received no written notice and has no knowledge that Lessee has assigned the Lease, except to WAB as additional security for the WAB Loan.

d. No Modifications. A true, correct, and complete copy of the Lease is attached hereto as Exhibit B, and the Lease has not been Modified, surrendered, or terminated.

e. Full Force and Effect; Entire Agreement. The Lease is in full force and effect and contains the entire agreement between Lessor and Lessee (and any parties related to either of them) regarding the Premises and the Lease.

f. No Lessee Default. To Lessor's actual knowledge, Lessee is not in default under the Lease, nor has any event occurred that, with passage of time or giving of notice or both, would constitute such a default. Lessor has given Lessee no notice of any uncured default. There are no legal proceedings pending (or threatened) against Lessee by Lessor.

g. No Termination. Lessor has no present right to terminate the Lease. Lessor has neither given nor received any notice of termination of the Lease.

h. Rent. The Minimum Monthly Rent under the Lease is currently Twenty Thousand Four Hundred Five and no/100 dollars (\$20,405.00) per month, subject from time to time to adjustments, as provided in the Lease.

i. Payments. Lessee is current in payment of all payments due under the Lease through December 31, 2024, including but not limited to, all payments of Monthly Rent and

Additional Rent. Lessor holds a security deposit of \$40,810.00, and holds no other security deposit, prepaid rent, or other funds of any kind for the Lease.

j. Term. The term of the Lease commenced on December 18, 2013, and will expire on December 17, 2068. The Lease does not include any options to extend.

k. No Defenses. To Lessor's actual knowledge, Landlord is not entitled to any defense, offset, claim, counterclaim, or right of recoupment against its obligations under the Lease as of the date hereof.

l. No Lessor Default. Lessor is not in default under the Lease. Lessor has not received from Lessee any notice of default under the Lease.

m. Renovation 2013-14. Lessor acknowledges that the Renovation 2013-14 was completed by the Required Completion Date, in accordance with the requirements of the Lease.

3. *Lessee General Acknowledgements.* Lessee hereby acknowledges, represents, warrants, confirms and agrees for the benefit of Lender:

a. Due Authorization, Execution and Delivery. Lessee is duly authorized to execute, and has duly executed and delivered, this Agreement. No consent by any court, agency, bureau, or other third party, governmental or nongovernmental (except any such consents that have been obtained), is required for Lessee to execute and deliver this Agreement.

b. Accuracy of Representations. Each of the statements set forth in Section 2.a through m above is true, correct, and complete.

4. *Recognition of WAB Leasehold Mortgage.*

a. WAB is a permitted "Lender" and "Institutional Lender" under the Lease entitled to all the benefits and rights of a "Lender" and "Institutional Lender" thereunder. The Leasehold Mortgage is permitted under the Lease, all of the other WAB Loan Documents are permitted under the Lease, and Lender may exercise all of its rights, benefits, and remedies thereunder, including the commencement and consummation of a Foreclosure Event, in accordance with their terms without such actions constituting a default of any kind under the Lease. By execution of this Agreement, to the extent Lessor's consent is required for Lessee to encumber the Premises with the Leasehold Mortgage, Lessor hereby consents to such mortgage.

b. The Lease requires no payment to Lessor on account of the WAB Loan and the execution of the WAB Loan Documents, including the WAB Leasehold Mortgage.

c. In the event Landlord desires to encumber its fee interest in the Premises with a deed of trust, mortgage, or other instrument securing any borrowed indebtedness, it shall be a condition precedent to any such encumbrance that the beneficiary thereof execute an acknowledgement in form and substance reasonably satisfactory to Lender that such encumbrance is subject to the terms and conditions of this Agreement.

5. *Other Requirements.*

a) The terms and provisions of the Lease shall prevail, govern and control in any instance where an inconsistency or conflict exists between the terms and provisions of the Lease (as supplemented by this Agreement) and the terms and provisions of any mortgage document, unless otherwise agreed by Lessor, not to be unreasonably withheld.

b) Any proceeds from fire or extended coverage insurance shall first be used for the repair, rebuilding, restoration or reconstruction of Improvements on the Premises and only the remaining proceeds, if any, may then be used to repay any part of the outstanding indebtedness secured by the mortgage.

c) Should the Lender or any successor -in- interest to it, succeed to the interests of Lessee in the Premises or under the Lease by any means or proceedings whatsoever, and regardless of whether or not the Lender actually enters into and takes possession of the Premises, then the Lender shall be obligated to keep and perform all of the covenants and conditions of the Lease required to be kept and performed by Lessee during its ownership of the Lessee's interest in the Premises and Improvements..

d) unless prohibited by Lender, the Lender, regardless of whether or not a request for notice shall have been recorded by Lessor, shall give Lessor written notice of any default under the mortgage and related documents, which notice shall be given within twenty (20) calendar days after the Lender declares an event of default or otherwise commences the exercise of its rights and remedies under the applicable security instrument. Notwithstanding the requirements of this subsection, Lessor agrees to consider acceptance of alternate methods of compliance with this provision, provided the effect of such alternate methods achieve the same legal effect as it relates to Lessor's rights and requirements under the Lease.

e) The WAB Leasehold Mortgage shall not be modified, extended, renewed or otherwise revised (other than such extension permitted by its terms), nor shall the mortgage, or any interest therein, be further mortgaged, pledged, encumbered, hypothecated or any security otherwise granted therein, without the prior written consent of Lessor, which consent shall not be unreasonably withheld, conditioned or delayed; provided, however, notwithstanding anything to the contrary in the Lease or this Agreement, (1) Lender may, without the consent of or notice to Lessor, pledge, sell, participate or otherwise assign all or any portion of its rights and obligations under the Loan, the WAB Leasehold Mortgage and the WAB Loan Documents to (a) any Federal Reserve Bank or other governmental authority or agency for purposes of providing liquidity or complying with any applicable law, rule or regulation; or (b) as otherwise required by any court order, subpoena, regulatory directive or similar legal process, and (2) Lender may assign the WAB Loan, the WAB Leasehold Mortgage and the WAB Loan Documents to an "Institutional Lender" (as defined in the Lease). For the avoidance of doubt, "Institutional Lender" includes, without limitation, private equity funds, investment firms, real estate investment firms. Lessor recognizes that Lender may assign its interest in the WAB Loan to affiliates and sell and assign participation interests in and to the Loan, or pledge, hypothecate or encumber all or any portion of the loan. and Lessor explicitly consents to such actions subject to the terms and

conditions of the Lease and this Agreement, including without limitation the requirement that the lender be an "Institutional Lender" as defined in Section 1.1 of the Lease. Lessor recognizes that the definition of Institutional Lender includes an assignee of a loan which is an affiliate of or an entity controlled by an Institutional Lender, and further recognizes that a loan made by an Institutional Lender for which participation interests are granted to other lenders, with an Institutional Lender remaining in control of the administration of the loan, shall be deemed a loan by an Institutional Lender.

6. *No Modifications to Lease.*

a. Lessor shall not enter into any agreement with Lessee to Modify, cancel, or surrender the Lease or any interest of Lessee therein without the prior written consent of Lender (i) in its sole and absolute discretion as to any cancellation or surrender, and (ii) in its reasonable discretion as to any Modification, and any such action without Lender's written consent shall be void and of no force or effect.

7. *Subordination.*

a. Any Leasehold Mortgage and other Loan Document, and all rights thereunder, shall be subject and subordinate to the covenants, conditions and restrictions set forth in the Lease and to all rights and interests of Lessor, except as may be expressly provided in the Lease or this Agreement. Lessor is not subordinating its fee interest in the Premises, or Lessor's reversionary interest in the Premises and Improvements, to the lien of the Loan Documents.

b. Without limiting the provisions of this Section 7, Lender's security interest in the Lessee's furniture, furnishings, equipment, trade fixtures, and other personal property (collectively, the "Personalty") shall be superior to any and all right title and interest of Lessor, whether statutory, contractual, or otherwise, and provided further that such removal otherwise occurs within ninety (90) days after the Lease has been terminated and all rights of Lender to obtain a new lease in accordance with the Lease have expired. Subject to the last sentence of this Paragraph, Lessor shall not attempt to levy execution upon the Personalty without Lender's prior written consent. Lender may remove any and all Personalty, and enter the Premises for such purpose, provided that Lender promptly repairs any damage to the Premises that such removal causes.

c. Notwithstanding any provisions contained in the Lease to the contrary, so long as a Leasehold Mortgage remains in effect, all policies of insurance called for in the Lease or otherwise in effect for the Premises shall, in addition to any provisions required under such Lease, contain a standard mortgagee protection endorsement, and Lender shall be entitled to hold the originals or certificates of all such policies. Until such time as any indebtedness secured by such Leasehold Mortgage is repaid in full, Lender shall be entitled to participate in (and following a Loan Event of Default or which exceed certain thresholds set forth in the Loan Documents, control) the settlement or adjustment of any losses covered by such policies of insurance and no such settlement or adjustment shall be accepted or approved without the specific consent in writing of Lender, which consent shall not be unreasonably withheld, conditioned or delayed. In addition, until such time as any indebtedness secured by such Leasehold Mortgage is repaid in full, Lender shall have the right to participate in (and following a Loan Event of Default or which exceed certain

thresholds set forth in the Loan Documents, control) any settlement of or stipulation of judgment with respect to any condemnation proceeding affecting all or any portion of the Premises or any agreement to sell all or any portion of the Premises in lieu of condemnation, and no such settlement, stipulation or agreement shall be made or entered into without Lender's prior written consent, which consent shall not be unreasonably withheld, conditioned or delayed. Notwithstanding any provisions in the Lease to the contrary, Lessor agrees that until such time as any indebtedness secured by such Leasehold Mortgage is repaid in full, any property insurance proceeds and condemnation award with respect to the Premises shall be paid to Lender and shall be administered and applied in accordance with the terms of the Loan Documents (including any application to the repayment of such indebtedness to the extent permitted thereunder).

d. To the extent that this Agreement conflicts with the Lease, this Agreement modifies and supersedes the Lease.

8. *Non-Disturbance.*

a. In all events, Landlord agrees to accept performance of the obligations of the Tenant under the Lease by or at the instance of Lender as if the same had been made by Tenant, in accordance with Section 13.4(d) of the Lease.

b. From and after the consummation of a Foreclosure Event, the Foreclosure Transferee shall be subject to all of the terms and conditions set forth in the Lease, provided, however that any default by Tenant under the Lease arising prior to such Foreclosure Event that is not reasonably susceptible to cure by Foreclosure Transferee (including, without limitation, any failure to deliver any financial statements of Tenant required to be delivered under the Lease) shall not be enforced against the Lender or the Foreclosure Transferee by Lessor.

c. In the event that the Lease is terminated, whether as a result of the rejection of such Lease pursuant to the Federal Bankruptcy Code or otherwise, Lender shall have the right to obtain a New Lease in accordance with Section 13.4(h) of the Lease.

9. *Permitted Transfers; Attornment.*

a. Lessor has consented to (or no consent by Lessor is required for) any of the following: (a) the transfer, conveyance, assignment, or encumbrance of Lessee's interest under the Lease to Lender, by any means, including a Foreclosure Event; (b) the transfer of Lessee's interest under the Lease to a Foreclosure Transferee; and (c) any other exercise of Lender's rights or remedies under the Loan Documents. None of the foregoing actions, or any changes of control of Lessee deemed to arise as a result of the foregoing actions, shall constitute a default under the Lease.

b. Landlord has consented to (or no consent by Landlord is required for) any of the following: (a) any transfer, conveyance, assignment, or encumbrance of the Lender's interest in the Lease, or any other collateral securing the Loan otherwise permitted under the applicable Loan Documents; and (b) from and after the consummation of a Foreclosure Event, the right at any time, and from time to time, of a Foreclosure Transferee and its successors and assigns (including any subsequent owner of the Developer Property) to freely transfer, convey, and assign its interest in the Lease without restriction; provided, however, that any encumbrance of the Lease

with a Leasehold Mortgage shall be subject to Sections 13.4(a), (b), and (c) of the Lease. None of the foregoing actions, or any changes of control of Tenant deemed to arise as a result of the foregoing actions, shall constitute a default under the Lease. If Lessor gives a timely Notice of Exercise of Right of First Offer under Section 15.1(b) of the Lease, the closing of any assignment shall take place within 60 days (instead of 75 days) after Lessor's approval of the financing contingency as set forth in such section.

c. In each case where a transfer, conveyance, or assignment permitted as provided above results in a change in the identity of the Lessee under the Lease, Lessor agrees to recognize such new Lessee as the "Lessee" under the Lease, subject to the other terms of this Agreement.

d. Each and all of the provisions in this Agreement shall be binding upon the heirs, executors, administrators, successors and assigns of the Lessor, and each and all of the provisions herein shall inure to the benefit of the successors and assigns of Lender.

10. *Future Agreements.*

a. Landlord hereby agrees to provide a t Agreement ("Future Agreement") containing the same acknowledgements, agreements, and representations set forth in this Agreement, and in substantially the same form as this Agreement, to any future Leasehold Mortgagee that is permitted or approved by Landlord pursuant to the Lease.

b. Landlord hereby further agrees to include in such Future Agreement current statements and representations with respect to the matters covered by Section 2 above.

11. *Notices to WAB.*

a. Pursuant to Section 13.4 of the Lease, Lessor will give written notice of any default under the terms of the Lease, any cancellation or termination of the Lease, or any other notices required pursuant to Section 13.4 by registered or certified mail, to the Lender at the same time as any such notice shall be delivered by Lessor to Lessee at the following address, or such other address of which Lender may notify Lessor in writing from time to time:

If to Lender: Western Alliance Bank, an Arizona corporation
One East Washington Street, Suite 1400
Phoenix, Arizona 85004
Attention: Hotel Franchise Finance

b. No notice of such a default by Lessor to Lessee shall be deemed to have been duly given unless and until a copy thereof has been so provided to Lender.

12. *No Personal Liability of Lender.*

a. Lessor agrees that by acceptance of this statement or by acceptance of the Loan Documents, Lender has not become personally liable under the terms and obligations of the Lease and Lender will not become so liable unless and until it assumes said obligations upon becoming a Foreclosure Transferee or enters into a New Lease with Lessor, and, notwithstanding

any such assumption, Lender shall be liable under the Lease or any such New Lease only for obligations which arise under the Lease or any such New Lease during Lender's period of ownership of the leasehold interest until such time as those obligations are assumed by a successor Lessee pursuant to an unconditional assumption agreement reasonably acceptable to the City; provided, however, that the foregoing shall not affect the Lessor's right (subject to Section 8(a) above and the other terms of this Agreement) to terminate the Lease due to a default under the Lease which is not cured within the time period for Leasehold Mortgagee to cure such default.

b. No Lender shall ever have any liability under the Lease beyond its interest in the Lease and any improvements located on the property subject to the Lease, even if it becomes Tenant or assumes the Lease.

[SIGNATURES ON NEXT PAGE]

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement on the date and at the place set forth their respective signatures.

LESSOR:

CITY OF REDONDO BEACH,
a chartered municipal corporation
organized under the laws of the State
of California

James A. Light, Mayor

Attest:

Approved as to Form:

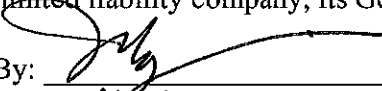
Eleanor Manzano, City Clerk

Joy A. Ford, City Attorney

LESSEE:

SUNRISE-HARBOR, LTD., a California limited partnership

By: **Invest West Financial III, LLC**, a California limited liability company, its General Partner

By: 
Name: Matthew Marquis
Title: Manager

ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California

County of Orange

On May 14, 2025 before me, Lauren Rappaport, Notary Public,
(insert name and title of the officer)

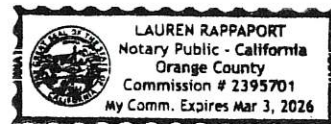
personally appeared Matthew Marquis,
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are
subscribed to the within instrument and acknowledged to me that he/she/they executed the same in
his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the
person(s), or the entity upon behalf of which the person(s) 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 [Signature]

(Seal)



ACKNOWLEDGED AND
AGREED:

LENDER

WESTERN ALLIANCE BANK

By: *Alex Jurgenson*
Name: Alex Jurgenson
Title: Vice President

STATE OF ARIZONA)
) SS
COUNTY OF MARICOPA)

On May 13th, 2025, before me, the undersigned, a Notary Public in and for
said State personally appeared Alex Jurgenson known to me to be the Vice President
of Western Alliance Bank, an Arizona corporation and acknowledged to me that such individual
executed the within instrument on behalf of said corporation.

WITNESS my hand and official seal.

Cindy M Fossey
Maricopa / Arizona
Notary Public in and for
said County and State

[SEAL]



Attachments:

Exhibit A = Premises
Exhibit B = Lease