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1318-22-310-004

EXECUTION COPY

DOUGLAS COUNTY, NV

2020-954820

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FIRST AMERICAN TITLE PASEO VERDE

KAREN ELLISON, RECORDER

PREPARED BY AND UPON
RECORDATION RETURN TO:

Greenspoon Marder LLP
590 Madison Avenue, Suite 1800
New York, New York 10022
Attention: Mark S. Fawer, Esq.

The undersigned hereby affirms that this document, including any exhibits, submitted for recording does not contain the social security number of any person or persons.
(Per NRS 239B.030)

FIRST AMENDMENT TO SUBORDINATION AND STANDSTILL AGREEMENT

made by and between

GHCP TAHOE SPE LLC,
a Delaware limited liability company

and

GBS CAPITAL, LLC,
a Nevada limited liability company

Dated: As of October 16, 2020

GM44433978

Recorded As An Accommodation
Only Without Liability

FIRST AMENDMENT TO SUBORDINATION AND STANDSTILL AGREEMENT

THIS FIRST AMENDMENT TO SUBORDINATION AND STANDSTILL AGREEMENT (this "**Agreement**") is made as of this 16th day of October, 2020 (the "**Effective Date**"), by and between **GHCP TAHOE SPE LLC**, a Delaware limited liability company (together with its successors and assigns, hereinafter referred to as "**Preferred Member**"), on the one hand, and **GBS CAPITAL, LLC**, a Nevada limited liability company (together with its successors and assigns, hereinafter referred to as the "**Subordinate Lender**"), and consented and agreed to by **KESTREL WEST BROADWAY INVESTMENTS, INC.**, a Delaware corporation ("**Kestrel**") and **ASTRA GROUP HOLDINGS LTD.**, a Gibraltar company (formerly a Cayman Islands company) ("**Astra**" and, together with Kestrel and each of their successors and assigns, individually or collectively as the context may require, hereinafter referred to as the "**Subordinate Loan Participants**"), on the other hand.

RECITALS

A. Reference is made to that certain Subordination and Standstill Agreement dated September 17, 2019 by and among Preferred Member and the Subordinate Lender and consented to by each of the Subordinate Loan Participants, and which was recorded on September 19, 2019 in the Official Records of Douglas County, Nevada as document number 2019-935446 (the "**Subordination Agreement**"). Capitalized terms used herein shall have the meaning given to them in the Subordination Agreement.

B. On or about the date hereof, the Subordinate Lender intends to advance to advance to the Subordinate Borrower an additional sum of up to \$22,505,922 (the "**Fifth Advance**") and intends to amend the Subordinate Loan Documents to reflect the Fifth Advance. Pursuant to the terms of the Operating Agreement, Preferred Member's prior consent is required in order for the Subordinate Borrower to accept the Fifth Advance and for the Subordinate Lender and the Subordinate Borrower to execute and deliver amendments to the Subordinate Loan Documents (the "**Required Preferred Member Consent**"). Preferred Member is unwilling to give the Required Preferred Member Consent unless the Subordinate Lender and each of the Subordinate Loan Participants enters into this Agreement.

C. The Subordinate Lender and each of the Subordinate Loan Participants have an economic interest in Owner and Company and the extension of the Investment to Company by Preferred Member is of substantial benefit to the Subordinate Lender and each of the Subordinate Loan Participants, and therefore (i) the making of the Investment to Company is adequate and sufficient consideration for the Subordinate Lender and each of the Subordinate Loan Participants to subordinate the Subordinate Loan to the Investment pursuant to the terms of this Agreement and (ii) in consideration of the making of the Investment to Company by Preferred Member and in consideration of Preferred Member giving the Required Preferred Member Consent, the Subordinate Lender and each of the Subordinate Loan Participants is willing to execute and deliver this Agreement.

D. This Agreement shall amended the Subordination Agreement only as expressly set forth herein.

NOW, THEREFORE, in consideration of the mutual benefits accruing to the parties hereto and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, it is hereby declared, understood and agreed and Preferred Member, the Subordinate Lender and the Subordinate Loan Participants hereby covenant and agree that:

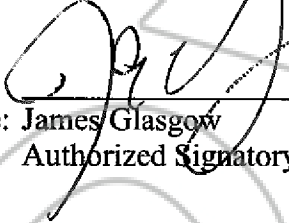
- (1) The Subordination Agreement is amended as set forth below, which amendment is effective from and after the Effective Date as follows:
 - a. Exhibit D attached to the Subordination Agreement is hereby deleted in its entirety and replaced with the Exhibit annexed hereto as Exhibit A.
 - b. All references to the “Subordinate Loan Documents” in the Subordination Agreement shall mean the “Subordinate Loan Documents” as set forth on Exhibit A annexed to this Agreement.
- (2) Except as expressly set forth herein, the terms and provisions of the Subordination Agreement shall remain in full force and effect
- (3) This Agreement may not be changed, terminated or modified except by an agreement in writing, signed by each of the parties hereto. The various captions and headings contained herein are for convenience only and shall not be deemed or construed to limit, modify, alter or impair the meaning of any section or provision contained in this Agreement.
- (4) No person or entity (including, without limitation, Owner or Subordinate Borrower) is intended to be a third party beneficiary of, and no one other than Preferred Member and the Subordinate Lender and their respective successors and assigns shall have any rights under, this Agreement.
- (5) This Agreement shall be binding upon and shall inure to the benefit of Preferred Member and the Subordinate Lender and their respective successors and assigns.
- (6) This Agreement may be signed in one or more counterparts, each of which shall be deemed an original. Electronic (facsimile, pdf or otherwise) execution of this Agreement shall have the same force and effect as original ink signature.

[NO FURTHER TEXT ON THIS PAGE]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement of the day and year first set forth above.

PREFERRED MEMBER:

GHCP TAHOE SPE LLC,
a Delaware limited liability company

By: 
Name: James Glasgow
Title: Authorized Signatory


STATE OF New York)
)ss.
COUNTY OF New York)

On this 9th day of September 2020, before me, the subscriber, a Notary Public in and for said State and County, personally appeared James Glasgow, the Authorized Signatory of GHCP Tahoe SPE LLC, known or identified to me to be the person whose name is subscribed to the within instrument, and in due form of law acknowledged that he is authorized on behalf of said company to execute all documents pertaining hereto and acknowledged to me that he executed the same as his voluntary act and deed on behalf of said company.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my seal in said State and County on the day and year last above written.

Notary Seal

VICKRAM SINGH
Notary Public - State of New York
NO. 01SI6379158
Qualified in Queens County
My Commission Expires Aug 6, 2022


(Signature of Notary)

My Commission Expires: Aug 6, 2022

(Signatures continue on the following page)

Consented and agreed to by each of the
Subordinate Loan Participants:

**KESTREL WEST BROADWAY
INVESTMENTS, INC.,**
a Delaware corporation

I ASSUME NO
RESPONSIBILITY FOR
THE TRUTH OR FALSITY OF
THE REPRESENTATIONS
WHICH APPEAR IN THE
FOREGOING DOCUMENT.

By: [Signature]
Name: Bogdan Verkhovodov
Title: Director

STATE OF Ukraine)
Kyiv Region)
City of Kyiv) //SS//
Embassy of the United States of America) ss.
COUNTY OF _____)

On this 09 day of October, 2020, before me, the subscriber, a Notary Public in and for said State and County, personally appeared Bogdan Verkhovodov, the Director of Kestrel West Broadway Investments, Inc., known or identified to me to be the person whose name is subscribed to the within instrument.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my seal in said State and County on the day and year last above written.

Notary Seal

[Signature]
(Signature of Notary)

Fotini D. Ali
Vice Consul
U.S. Embassy
Kyiv, Ukraine

My Commission Expires: INDEFINITE

(Signatures continue on the following page)

EXHIBIT A

EXHIBIT D

Subordinate Loan Documents

\$5,000,000.00 ORIGINAL LOAN

(Except as indicated below, all documents are dated as of May 1, 2018)

1. Agreement Re Note, Guaranty, Pledge and Irrevocable Escrow Instructions made by and among Pine Beach Holding Partners, LLC, a Nevada limited liability company ("PBHP"), Pine Beach Holding, Inc., a Delaware corporation ("PBHI"), Zephyr Development, LLC, a Nevada limited liability company ("Zephyr"), International Production LLC, a Nevada limited liability company ("IP"), BlueLake Partners, LLC, a Nevada limited liability company ("Bluelake"), TBC Development, LLC, a Nevada limited liability company ("TBC Dev"), Sistema Investments, LLC, a Delaware limited liability company ("Sistema"), Beach Club Development, LLC, a Nevada limited liability company ("BCD"), Tahoe Beach Club, LLC, a Nevada limited liability company ("TBC"), Tahoe Shores, LLC, a Nevada limited liability company ("TS"), and GBS Capital, LLC, a Nevada limited liability company ("GBS").
2. Promissory Note in the original principal amount of \$5,000,000.00 made by TBC Dev to GBS dated as of May 21, 2018.
3. Limited Guaranty made by Sistema in favor of GBS.
4. Irrevocable Escrow Instructions by BCD to First American Title Company ("Title Company").
5. Letter Agreement made by GBS for the benefit of Sistema.

\$1,480,000.00 FIRST ADDITIONAL ADVANCE

(Except as indicated below, all documents are dated as of October 31, 2018)

6. Settlement Agreement made by and among PBHP, PBHI, Kestrel Investment Holding, Inc., a Delaware corporation ("KIH"), Sistema, Axe Capital Group, a Cayman Islands exempted company ("Axe"), Sergey Drozdov, Bogdan Gubsky, Oleg Murarakshin, Charles Bergin, Bluelake, GBS, Gary B. Sabin, TBC Dev, TBC, BCD, Tahoe Nevada Holdings, LLC, a Nevada limited liability company ("Tahoe Nevada"), IPB Management, LLC, a Nevada limited liability company ("IPB"), IP, KBM Enterprises, LLC, a Nevada limited liability company, Robert Mecay, Zephyr, South Shore Tahoe, LLC, a Nevada limited liability company ("South Shore") and TS, dated as of September 27, 2018.

Exhibit D

7. Settlement Agreement made by and among PBHP, PBHI, KIH, Sistema, Axe, Bluelake, GBS, The Gary B. Sabin Family Trust U/A/D 5/20/1982 (Restatement Dated 1/19/1995) (“Sabin Trust”), TBC Dev, TBC, BCD, Tahoe Nevada, IPB, Zephyr, South Shore and TS.
8. Extension of Settlement Agreement made by Sistema for the benefit of Gary Sabin and Robert Mecay.
9. First Amendment to Promissory Note between GBS and TBC Dev, and acknowledged by Kestrel West Broadway Investments, Inc., a Delaware corporation (“Kestrel”), and Astra Group Holdings Ltd., a Cayman Islands company (“Astra”).
10. First Amendment to Agreement Re: Note, Guaranty, Pledge and Irrevocable Escrow Instructions between PBHP, PBHI, Zephyr, IP, Bluelake, TBC DEV, Sistema, BCD, TBC, TS and GBS.
11. First Amendment to Limited Guaranty between Sistema and GBS.
12. First Amendment to Irrevocable Escrow Instructions by BCD and acknowledged by Title Company.
13. First Amendment to Letter Agreement between GBS and Sistema.
14. Assignment, Pledge and Security Agreement between BCD and GBS.
15. Consent Agreement made by Douglas County, Nevada.
16. Letter Agreement made by GBS for the benefit of Kestrel and Astra.
17. Letter Agreement made by Sistema for the benefit of and Gary Sabin and Robert Mecay.
18. Letter Agreement made by PHBP for the benefit of Gary Sabin dated as of November 7, 2018.

\$1,600,000.00 SECOND ADDITIONAL ADVANCE

(Except as indicated below, all documents are dated as of December 14, 2018)

19. Second Amendment to Promissory Note between TBC Dev and GBS, and acknowledged by Kestrel and Astra.

20. Second Amendment to Agreement Re Note, Guaranty, Pledge and Irrevocable Escrow Instructions by and among PBHP, PBHI, Zephyr, IP, Bluelake, TBC Dev, Sistema, BCD, TBC, TS and GBS.
21. Second Amendment to Limited Guaranty between Sistema and GBS.
22. Second Amendment to Irrevocable Escrow Instructions by BCD and acknowledged by Title Company.
23. Second Amendment to Letter Agreement between GBS and Sistema.
24. First Amendment to Assignment, Pledge and Security Agreement between GBS and BCD, and acknowledged by Kestrel and Astra.
25. Letter Agreement made by GBS for the benefit of Astra.
26. Letter Agreement made by PBHP for the benefit of Gary Sabin, and acknowledged by Sistema.
27. Deed of Trust made by TBC, as Trustor, to Title Company, as Trustee, in favor of GBS, as Beneficiary, dated as of April 15, 2019 and recorded April 29, 2019 as Document No. 2019-928387 in the Office of the Clerk of Douglas County, Nevada.
28. Deed of Trust made by BCD II, as Trustor, to Title Company, as Trustee, in favor of GBS, as Beneficiary, dated as of April 15, 2019 and recorded April 29, 2019 as Document No. 2019-928386 in the Office of the Clerk of Douglas County, Nevada.
29. Extension of Settlement Agreement made by Sistema for the benefit of Gary Sabin and Robert Mecay dated as of January 8, 2019.
30. Accommodation Recording Agreement dated as of April 19, 2019, made by GBS.

\$9,000,000.00 THIRD ADDITIONAL ADVANCE

(Except as indicated below, all documents are dated as of May 1, 2019)

31. Third Amendment to Promissory Note between TBC Dev and GBS.
32. Third Amendment to Agreement Re Note, Guaranty, Pledge and Irrevocable Escrow Instructions between Zephyr, Bluelake, TBC dev, BCD, Beach Club Development Phase II, LLC, a Delaware limited liability company ("BCD II"), TBC, TS and GBS.
33. Third Amendment to Limited Guaranty between Sistema and GBS.
34. Third Amendment to Irrevocable Escrow Instructions by BCD and acknowledged by Title Company.

35. Third Amendment to Letter Agreement between GBS and Sistema.
36. Second Amendment to Assignment, Pledge and Security Agreement between BCD and GBS.
37. Partial Reconveyance made by Title Company, dated as of June 20, 2019 and recorded July 15, 2019 as Document No. 2019-931764 in the Office of the Clerk of Douglas County, Nevada.
38. First Amendment to Deed of Trust between BCD II and GBS, dated as of May 1, 2019 and recorded July 15, 2019 as Document No. 2019-931774 in the Office of the Clerk of Douglas County, Nevada.
39. First Amendment to Deed of Trust between TBC and GBS, dated as of May 1, 2019 and recorded July 15, 2019 as Document No. 2019-931773 in the Office of the Clerk of Douglas County, Nevada.

\$48,414,078.00 FOURTH ADDITIONAL ADVANCE

(Except as indicated below, all documents are dated as of September 17, 2019)

40. Fourth Amendment to Promissory Note between TBC and GBS.
41. Fourth Amendment to Agreement Re Note, Guaranty, Pledge and Irrevocable Escrow Instructions by and among Zephyr, Bluelake, TBC Dev, BCD, BCD II, TS, TBC and GBS, and acknowledged by PBHI, Sistema, KIH and Astra.
42. Fourth Amendment to Irrevocable Escrow Instructions by BCD and acknowledged by Title Company.
43. Third Amendment to Assignment, Pledge and Security Agreement between BCD and GBS, and acknowledged by KIH and Astra.
44. Second Amendment to Deed of Trust between BCD II and GBS dated September 6, 2019 and recorded as Instrument No. 2019-935304.
45. Second Amendment to Deed of Trust between TBC and GBS dated September 6, 2019 and recorded as Instrument No. 2019-935305.
46. Fourth Amendment to Limited Guaranty between Sistema and GBS.
47. Forbearance Agreement by and among Zephyr, TBC Dev, BCD, BCD II, TBC, TS and GBS, and acknowledged by PBHI, Sistema, KIH and Astra.
48. Letter Agreement by GBS and acknowledged and agreed to by Kestrel, Astra, Axe, KIH, Bogdan Gubsky, Gary B. Sabin and the Sabin Trust.

\$22,505,922.00 FIFTH ADDITIONAL ADVANCE

(Except as indicated below, all documents are dated as of July 28, 2020)

Exhibit D

49. Fifth Amendment to Promissory Note between TBC and GBS.
50. Fifth Amendment to Agreement Re Note, Guaranty, Pledge and Irrevocable Escrow Instructions by and among Zephyr, Bluelake, TBC Dev, BCD, BCD II, TS, TBC and GBS, and acknowledged by PBHI, Sistema, KIH, Astra and Kestrel West Broadway Investments, Inc.
51. Fifth Amendment to Irrevocable Escrow Instructions by BCD and acknowledged by Title Company.
52. Fourth Amendment to Assignment, Pledge and Security Agreement between BCD and GBS, and acknowledged by KIH and Astra.
53. Third Amendment to Deed of Trust between BCD II and GBS.
54. Third Amendment to Deed of Trust between TBC and GBS.
55. Fifth Amendment to Limited Guaranty between Sistema and GBS.
56. First Amendment to Forbearance Agreement by and among Zephyr, TBC Dev, BCD, BCD II, TBC, TS and GBS, and acknowledged by PBHI, Sistema, KIH and Astra.
57. Letter Agreement by GBS and acknowledged and agreed to by Kestrel, Astra, Axe, KIH, Bogdan Gubsky, Gary B. Sabin and the Sabin Trust.