

15836-2674180

PREPARED BY AND UPON  
RECORDATION RETURN TO:

DOUGLAS COUNTY, NV

2024-1009887

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FIRST AMERICAN TITLE RENO

SHAWNYNE GARREN, RECORDER

Winstead PC  
500 Winstead Building  
2728 N. Harwood Street  
Dallas, Texas 75201  
Attention: Seth W. Eaton, 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)

APNs: 1318-22-301-001;  
1318-22-315-005 thru 1318-22-315-008;  
1318-22-316-001 thru 1318-22-316-008;  
1318-22-317-001 thru 1318-22-317-008;  
1318-22-711-001 thru 1318-22-711-008

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### SUBORDINATION AND STANDSTILL AGREEMENT

Among

**ACORE CAPITAL MORTGAGE, LP**, a Delaware limited partnership,  
in its capacity as administrative agent for and on behalf of the Lenders referred to below

and

**ICP CLC TAHOE HOLDINGS, LLC**, a Delaware limited liability company

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Dated as of May 9, 2024, but effective as of July 8, 2024

Location: Beach Club Drive, Stateline, Nevada 89449  
County: Douglas

## SUBORDINATION AND STANDSTILL AGREEMENT

THIS SUBORDINATION AND STANDSTILL AGREEMENT (this "**Agreement**") is made effective as of July 3, 2024, by and among **ACORE CAPITAL MORTGAGE, LP**, a Delaware limited partnership, as administrative agent for the Lenders under the Senior Loan defined below (together with its successors and assigns, hereinafter referred to as the "**Administrative Agent**"), and **ICP CLC TAHOE HOLDINGS, LLC**, a Delaware limited liability company (together with its successors and assigns, hereinafter referred to collectively as the "**Subordinate Lender**"), and acknowledged and agreed to by **CL CREDIT OPPORTUNITIES LLC**, a Delaware limited liability company ("**CL Credit Opportunities**").

### RECITALS

A. **ZEPHYR DEVELOPMENT LLC**, a Nevada limited liability company ("**Subordinate Borrower**") (the owner of 96.572% of the limited liability company interests in **TBC DEVELOPMENT, LLC**, a Nevada limited liability company, which is in turn the owner of 100% of the limited liability company interests in **BEACH CLUB DEVELOPMENT MEZZ II LLC**, a Delaware limited liability company ("**Mezzanine Borrower**"), which is in turn the owner of 100% of the limited liability company interests in **BEACH CLUB DEVELOPMENT PHASE II, LLC**, a Delaware limited liability company ("**Phase II Owner**"), and **TAHOE BEACH CLUB, LLC**, a Nevada limited liability company ("**Beach Club Owner**", and together with Phase II Owner, "**Owner**") executed a Promissory Note, dated July 3, 2024 (the "**Subordinate Note**") in favor of Subordinate Lender in the aggregate principal amount of \$15,000,000.00 (the "**Subordinate Loan**"), as more particularly described below.

B. Prior to the date hereof, Owner has executed one or more promissory notes, dated as of April 26, 2021 (collectively, the "**Senior Note**") in favor of the Lenders from time to time party to the Senior Loan Agreement (as defined below), and described in that certain Loan Agreement, dated as of April 26, 2021, among **ACSS REAL ESTATE FUNDING, LLC**, a Delaware limited liability company, and **DELPHI CRE FUNDING LLC**, a Delaware limited liability company, collectively as the initial Lender thereunder and the other Lenders from time to time party thereto ("**Senior Lender**"), Administrative Agent, in its capacity as administrative agent for and on behalf of the Lenders from time to time party thereto, Owner and **BEACH CLUB DEVELOPMENT PHASE III, LLC**, a Delaware limited liability company, as original Borrower, as amended by that certain First Amendment to Loan Agreement dated as of February 28, 2022 by and among the same parties (the "**First Amendment**"), as further amended by that certain Second Amendment to Loan Agreement dated as of December 8, 2022 by and among the same parties (the "**Second Amendment**"), as further amended by that certain Third Amendment to Loan Agreement dated as of October 4, 2023 by and among the same parties (the "**Third Amendment**"), as further amended by that certain Letter Agreement dated to be effective as of May 10, 2024 among the same parties (the "May Letter Agreement"), as further amended by that certain Letter Agreement dated to be effective as of June 10, 2024 among the same parties (the "June Letter Agreement"), as further amended by that certain Fourth Amendment to Loan Agreement and Amendment to Loan Documents dated as of the date hereof by and among Senior Lender, Administrative Agent and Owner (the "**Fourth Amendment**", and together with the May Letter Agreement, the June Letter Agreement, the Third Amendment, the Second Amendment, the First Amendment and the Original Loan Agreement, as the same has been and

may be further amended, restated, replaced, supplemented or otherwise modified from time to time, collectively, the "**Senior Loan Agreement**"), evidencing a first mortgage loan ("**Senior Loan**"), which Senior Note is secured by, among other things, a Deed of Trust, Assignment of Leases and Rents, Security Agreement and Fixture Filing (as the same may be hereafter amended, extended, restated, supplemented, consolidated, renewed or otherwise modified or replaced from time to time, the "**Senior Mortgage**"), recorded as Instrument No. 2021-966210 covering the real property known as the Tahoe Beach Club located in Stateline, Nevada and more particularly described on Exhibit A annexed hereto and made a part hereof (the "**Senior Mortgage Property**"). Capitalized terms used herein and not otherwise defined have their respective meanings as set forth in the Senior Loan Agreement.

C. Prior to the date hereof, Beach Club Development Phase III, LLC, a Delaware limited liability company, was released as a Borrower under the Senior Loan Agreement.

D. As of the date hereof, with respect to the Subordinate Loan, Beach Club Owner executed that certain Deed of Trust, dated \_\_\_\_\_, 2024, in favor of Subordinate Lender and recorded in the real estate records of Douglas County, Nevada (the "**County Records**") as Instrument No. \_\_\_\_\_ (the "**Subordinate Deed of Trust**"), covering the real property constituting the "Clubhouse" (which is part of the Senior Mortgage Property) and which is more particularly described on Exhibit B annexed hereto and made a part hereof ("**Clubhouse Property**").

E. Senior Lender is unwilling to amend the Senior Loan Documents (as hereinafter defined) unless the Subordinate Lender enters into this Agreement.

F. The Administrative Agent and the Subordinate Lender have agreed that the Subordinate Loan Documents (as defined below) are to be subordinated in all respects to the Senior Loan such that, among other things, and the Subordinate Lender, will have no rights against the Subordinate Borrower, Owner, the Senior Mortgage Property or the Senior Mortgage until such time as the Senior Loan has been indefeasibly repaid in full, except as otherwise expressly permitted 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 as follows:

(1) Definitions.

(a) "**Bankruptcy Code**" means Title 11, United States Code, as amended from time to time, any successor statute thereto, and any rules promulgated pursuant thereto.

(b) "**Enforcement Action**" means the commencement of any enforcement action against the Subordinate Borrower or the exercise of any remedies with respect to, the Subordinate Loan, the Subordinate Deed of Trust, the Subordinate Loan Documents or any portion thereof. Notwithstanding the foregoing, but subject in all respects to the observance by Subordinate Lender of all of the covenants, undertakings and agreements of Subordinate Lender in this

Agreement, "Enforcement Action" shall not include any of the following (each, a "**Permitted Enforcement Action**"): (i) the cure by Subordinate Lender of any Default or Event of Default under the Senior Loan Documents, or (ii) any remedies or actions permitted to be taken by Subordinate Lender with respect to the Subordinate Loan Documents under, and in accordance with, the terms of the Side Letter Agreement.

(c) "**Senior Loan Collateral**" means all of the real, personal and other property (i) encumbered by the Senior Mortgage or any of the Senior Loan Documents or (ii) securing the Senior Loan, and all of Owner's right, title and interest in and to such property, whether existing or future, and all security interests, security titles, liens, claims, pledges, assignments, conveyances, endorsements and guaranties of whatever nature securing the Senior Loan and all products and proceeds of the foregoing, as the same is more particularly described in the Senior Mortgage.

(d) "**Senior Loan Documents**" means the Senior Loan Agreement, the Senior Mortgage, Senior Note, an assignment of leases and rents and any other document, agreement or instrument now or hereafter executed and delivered by or on behalf of Owner or any guarantor or indemnitor of Owner in connection with the Senior Loan, including, without limitation, any document, agreement or instrument hereafter executed and delivered by or on behalf of Owner in connection with any refinancing or replacement of the Senior Loan, as any of the same may be from time to time amended, extended, restated, replaced, supplemented, increased, consolidated, decreased, renewed or otherwise modified.

(e) "**Side Letter Agreement**" means that certain Side Letter Agreement dated as of the date hereof between Administrative Agent and Subordinate Lender, as the same may be from time to time amended, extended, restated, replaced, supplemented, consolidated, renewed or otherwise modified.

(f) "**Subordinate Loan Documents**" the Subordinate Note, the Subordinate Deed of Trust and any other document, agreement or instrument now or hereafter executed and delivered by or on behalf of the Subordinate Borrower or any other Person in connection with the Subordinate Loan, as any of the same may (subject to the terms and conditions of this Agreement) be from time to time amended, extended, restated, replaced, supplemented, consolidated, renewed or otherwise modified.

(2) Effectiveness of Agreement. This Agreement shall be effective immediately upon the execution hereof by the parties hereto and shall remain in effect for only so long as both the Senior Loan and the Subordinate Loan remain outstanding.

(3) Subordination. Notwithstanding the time of the making or recording of the Senior Loan Documents and the making of the Subordinate Loan, and notwithstanding anything to the contrary whatsoever contained in any of the Subordinate Loan Documents or any other document or agreement, the Subordinate Loan Documents

are hereby expressly made subject and subordinate in all respects to the Senior Loan (including, without limitation, any future advances by the Administrative Agent or Senior Lender to protect the Senior Loan Collateral or the Administrative Agent's lien thereon or rights thereto or otherwise), and to all of the Administrative Agent's and Senior Lender's rights and remedies under the Senior Loan Documents and in and to the Senior Loan Collateral and to all of the terms and conditions of the Senior Loan Documents, notwithstanding the date, time, manner or order of the creation, attachment or perfection of such Subordinate Lender's rights and interests or any provision of the federal Bankruptcy Code, any Uniform Commercial Code, or any other law. The Subordinate Lender hereby agrees that it will not, without Administrative Agent's express prior written consent, which consent shall be granted or denied at the sole and absolute discretion of Administrative Agent, accept any payments on account of the Subordinate Loan, until such time as the Senior Loan and the Senior Loan Documents have been satisfied in full (except in connection with a Permitted Enforcement Action or from the proceeds of a Preferred Equity Investment (as defined in the Senior Loan Agreement) made in accordance with this Agreement and the Senior Loan Documents) or from sources other than the Senior Loan Collateral or any assets of Owner, any Borrower or Guarantor. In addition, in furtherance of and without limiting the foregoing, the Subordinate Lender represents, warrants and agrees that:

(a) Any interest that Subordinate Lender has (including, without limitation, a lien or other security interest) in the Senior Loan Collateral, or as a creditor of Owner, is expressly subordinate to the interests of Administrative Agent and Senior Lender in the Senior Loan Collateral. No person, other than Subordinate Lender owns an interest in the Subordinate Loan (whether as joint holders, participants or otherwise).

(b) Exhibit C attached hereto sets forth a true, correct and complete list of all of the Subordinate Loan Documents as of the date hereof and such Subordinate Loan Documents have not been otherwise amended, superseded, cancelled, extended or otherwise modified;

(c) Subordinate Lender does hereby expressly consent to and authorize, at the option of the Administrative Agent or as otherwise expressly contemplated by the Senior Loan Documents, the release of all or any portion of the Senior Mortgage Property or other Senior Loan Collateral from the lien of the Senior Mortgage, and hereby waives any equitable rights Subordinate Lender might have, as a result of any refinancing of the Senior Loan or any release of all or any portion of the Senior Mortgage Property or other Senior Loan Collateral by the Administrative Agent under the Senior Mortgage, to require that the Administrative Agent marshal the Senior Loan Collateral in favor of the Subordinate Lender and further, in the event of any foreclosure, the Subordinate Lender hereby expressly consents to and authorizes, at the option of the Administrative Agent, the sale, whether separately or together, of all or any portion of the Senior Mortgage Property or other Senior Loan Collateral but without prejudice to such rights as the Subordinate Lender may have under applicable law to receive excess foreclosure sale proceeds to the extent such sale



proceeds are derived from a sale of the Senior Loan Collateral at the time of, and in connection with, the foreclosure of the Senior Mortgage (and not as a result of, or in connection with, any subsequent sale or disposition of the Senior Loan Collateral), and exceed (after the application of same and repayment in full of) the entire indebtedness evidenced or secured by or otherwise payable under the Senior Loan Documents and all other sums evidenced or secured by the Senior Loan Documents (including all reasonable costs, fees and expenses of Administrative Agent);

(d) All rights of the Subordinate Lender under the Subordinate Loan Documents shall be expressly subject and subordinate to the rights of the Administrative Agent in and to the Senior Loan Collateral and the proceeds thereof (including, without limitation, Revenues (as defined in the Senior Loan Agreement), insurance proceeds and condemnation awards), and to any costs or expenses incurred under the Senior Mortgage or any of the other Senior Loan Documents;

(e) Intentionally omitted;

(f) If the Subordinate Lender shall acquire by indemnification, subrogation or otherwise, any lien, estate, right or other interest in any of the Senior Loan Collateral, that lien, estate, right or other interest shall be subordinate to the Senior Mortgage and Senior Loan Documents as provided herein;

(g) During the continuance of an Event of Default that is not cured by Subordinate Lender prior to the expiration or termination of Subordinate Lender's cure right pursuant to the Side Letter Agreement, at the sole option of Administrative Agent, Subordinate Lender shall, promptly but in no event later than the later of (a) the expiration or termination of Subordinate Lender's cure right with respect to such Event of Default under the terms of the Side Letter Agreement and (b) thirty (30) days from the receipt of written request from Administrative Agent, which written request shall state that an Event of Default has occurred, terminate, release and reconvey in full the Subordinate Deed of Trust and all rights and interests under the Subordinate Deed of Trust (collectively, the "Subordinate Deed of Trust Reconveyance"), and, subject to the terms of the Side Letter Agreement, Subordinate Lender hereby irrevocably appoints Administrative Agent as its true and lawful attorney, coupled with an interest, in its name and stead to make and execute all documents necessary or desirable to effect the aforesaid Subordinate Deed of Trust Reconveyance in the event that Subordinate Lender fails to effectuate such Subordinate Deed of Trust Reconveyance within the time period set forth in this Section 1(g), Subordinate Lender hereby ratifying all that its said attorney shall do by virtue thereof, and from and after the occurrence of a Subordinate Deed of Trust Reconveyance, Subordinate Lender shall have no right (and agree not to) record any lien, claim, deed of trust or other instrument of any kind encumbering the Senior Mortgage Property in connection with the Subordinate Loan (or any other loan or claim) so long as (and unless and until) the Senior Loan shall be indefeasibly paid in full;

(h) Intentionally omitted;

(i) If any payment or distribution or security of any character (whether in cash, securities, or other property), shall be received by the Subordinate Lender (including, but not limited to, out of or in connection with the Senior Loan Collateral) in contravention of the terms of this Agreement or otherwise before all of the Senior Loan shall have been paid in full, unless otherwise approved by the Administrative Agent, such payment, distribution or security shall not be commingled with any asset of the Subordinate Lender, shall be held in trust for the benefit of, and shall promptly be paid over or delivered and transferred to, the Administrative Agent or its representatives, for application in accordance with the Senior Loan Documents, until all of the Senior Loan shall have been paid in full;

(j) Intentionally omitted;

(k) Except as otherwise expressly required pursuant to the Side Letter Agreement, Subordinate Lender expressly assumes responsibility for keeping itself informed of the financial condition of Subordinate Borrower and Owner and of all other circumstances bearing upon the risk of nonpayment of the Senior Loan or the Subordinate Loan, and agrees that Administrative Agent shall have no duty to advise Subordinate Lender of information known to Administrative Agent regarding such condition or circumstance;

(l) Subordinate Lender expressly waives all notice of the acceptance by Administrative Agent of the subordination and other provisions of this Agreement and agrees that Administrative Agent has made no warranty or representation with respect to the legality, validity, enforceability, collectability or perfection of the Senior Loan or the Senior Mortgage or any liens or security interests held in connection therewith; and

(m) All loans made by GBS Capital, and the exercise of GBS Capital's remedies, shall be subordinate to Subordinate Lender's loans and the loan made by GBS Capital shall stand still before repayment of Subordinate Lender's loan.

(4) Certain Actions Regarding Subordinate Loan. Until such time as the Senior Loan shall have been paid in full, together with any and all other amounts which shall be due and payable under the terms of the Senior Loan Documents, and the Senior Mortgage Property shall be owned by Owner free and clear of the Senior Mortgage, the Subordinate Lender shall not take any of the following actions with respect to the Subordinate Loan without the prior written consent of the Administrative Agent:

(a) Accept or receive any payments on account of the Subordinate Loan (other than (i) intentionally omitted, (ii) in connection with a Permitted Enforcement Action or (iii) any payments made from the proceeds of the Subordinate Loan made in accordance with this Agreement and the Senior Loan Documents);

(b) Commence any legal proceedings against Subordinate Borrower, Owner, any guarantor of the Subordinate Loan, or commence any Enforcement Action (other than a Permitted Enforcement Action or other than as expressly permitted pursuant to the Side Letter Agreement);

(c) Intentionally omitted;

(d) Commence or consent to any bankruptcy, insolvency, reorganization or similar proceeding by or against Subordinate Borrower or Owner; or

(e) Sell, transfer, pledge, assign, encumber or convey directly or indirectly the Subordinate Loan or the Subordinate Loan Documents or any interest therein other than as expressly permitted under the Side Letter Agreement.

Except as otherwise expressly set forth herein, any consent required of the Administrative Agent in this Agreement may be given or withheld in the sole and absolute discretion of the Administrative Agent. Subordinate Lender shall have no rights to any proceeds of a refinancing, including without limitation, any securitized or related financing or refinancing, in which rights under the Senior Loan Documents are sold or transferred or the Senior Loan is replaced until such time as the entire indebtedness evidenced or secured by the Senior Loan Documents and all other sums evidenced or secured by the Senior Loan Documents have been paid in full. The Subordinate Lender acknowledges and agrees that any assignment or assignments of the Senior Loan and/or the Senior Loan Documents in connection with any syndication, pledge, securitization or a sale by the Administrative Agent of the Senior Loan (by itself or with other loans) shall not be deemed to be a repayment of the Senior Loan for purposes of this Agreement.

(5) Bankruptcy Issues.

(a) This Agreement shall be applicable and enforceable both before and after the commencement, whether voluntary or involuntary, of any case by or against Owner under the Bankruptcy Code and all references herein to Owner shall be deemed to apply to Owner as a debtor-in-possession and to any trustee in bankruptcy for the estate of Owner.

(b) In the event the Administrative Agent and/or the Subordinate Lender is required under any bankruptcy or other law to return to Owner, the estate in bankruptcy thereof, any third party or any trustee, receiver or other similar representative of Owner any payment or distribution of assets, whether in cash, property or securities, including, without limitation, any Senior Loan Collateral, the Subordinate Deed of Trust or any proceeds of the Senior Loan Collateral or the Subordinate Deed of Trust previously received by the Administrative Agent and/or the Subordinate Lender on account of the Senior Mortgage and/or the Subordinate Deed of Trust (a "**Reinstatement Distribution**"), then to the maximum extent permitted by law, this Agreement shall be reinstated with respect to any such Reinstatement Distribution. Neither



the Administrative Agent nor the Subordinate Lender shall be required to contest its obligation to return such Reinstatement Distribution.

(c) The Subordinate Lender hereby agrees that the Subordinate Lender shall not make any election, give any consent, file any motion or take any other action in any case by or against Owner under the Bankruptcy Code (each, a "**Bankruptcy Action**") without the prior written consent of the Administrative Agent (without limiting the foregoing, but solely as a means of clarifying the foregoing, in no event shall Subordinate Lender be permitted to take any Bankruptcy Action in connection with the Subordinate Loan and/or Subordinate Loan Documents), except to the extent necessary to preserve or realize upon Subordinate Lender's interest in the Pledged Interests (as that term is defined in the Subordinate Loan Documents). The Subordinate Lender hereby appoints the Administrative Agent as its agent, and grants to the Administrative Agent an irrevocable power of attorney coupled with an interest, and its proxy, for the purpose of exercising any and all rights and taking any and all actions available to the Subordinate Lender in connection with any case by or against Owner under the Bankruptcy Code, including, without limitation, the right to vote to accept or reject a plan and to file a claim in any subsequent Chapter 11 or Chapter 7 case by or against Owner. Without in any way limiting the generality of Section (9) hereof, the Subordinate Lender hereby agrees that, upon the request of the Administrative Agent, the Subordinate Lender shall do, execute, acknowledge and deliver to the Administrative Agent all and every such further acts, deeds, conveyances and instruments as the Administrative Agent reasonably may request for the better assuring and evidencing of the foregoing appointment and grant.

(6) Approvals of Subordinate Lender. Subordinate Lender declares, agrees and acknowledges that Subordinate Lender acknowledges all provisions of the Senior Note, the Senior Mortgage and each of the other Senior Loan Documents.

(7) Additional Remedies. If Subordinate Lender violates any of the terms of this Agreement, then, in addition to any remedies in law, equity or otherwise, Administrative Agent may restrain such violation in any court of law and may interpose this Agreement as a defense in any action by Subordinate Lender.

(8) Intentionally omitted.

(9) Further Assurances. The Subordinate Lender hereby agrees that, within ten (10) Business Days after request by the Administrative Agent, the Subordinate Lender shall do, execute, acknowledge and deliver all and every such further acts, deeds, conveyances and instruments as the Administrative Agent may request for the better assuring and evidencing of the foregoing agreements, including, but not limited to, the execution and delivery of documents to confirm the foregoing agreements upon and with respect to any refinancing or replacement of the Senior Loan or the Senior Loan Documents. Senior Lender hereby agrees that, within ten (10) Business Days after written request by the Subordinate Lender, Senior Lender shall do, execute, acknowledge and deliver all and every such further acts, deeds, conveyances and instruments as the

Subordinate Lender may reasonably request for the better assuring and evidencing of the foregoing agreements.

(10) Governing Law. This Agreement shall be construed in accordance with and governed by the laws of the State of New York.

(11) Entire Agreement. This Agreement shall be the whole and only agreement between the parties with regard to the matters set forth herein and all prior negotiations and agreements are merged into this Agreement.

(12) Notices. All notices, demands, requests and other communications made hereunder shall be in writing and shall be properly given and deemed delivered on the date of delivery if sent by personal delivery or nationally recognized overnight courier and on the third business day following mailing if sent by certified or registered mail, postage prepaid, return receipt requested, as follows:

If to Administrative Agent: ACORE Capital Mortgage, LP  
39 Mesa Street, Suite 109  
San Francisco, CA 94129  
Attention: General Counsel  
Email: [notices@acorecapital.com](mailto:notices@acorecapital.com)

with a copy to: ACORE Capital Mortgage, LP  
Sterling Plaza  
5949 Sherry Lane, Suite 1255  
Dallas, Texas 75225  
Attention: Asset Management  
Email: [notices@acorecapital.com](mailto:notices@acorecapital.com)

and with a copy to: Winstead PC  
500 Winstead Building  
2728 N. Harwood Street  
Dallas, Texas 75201  
Attention: Seth W. Eaton, Esq.  
Email: [seaton@winstead.com](mailto:seaton@winstead.com)

If to Subordinate Lender: ICP CLC Tahoe Holdings, LLC  
c/o CL CREDIT OPPORTUNITIES LLC  
One Executive Boulevard, Suite 204  
Suffern, New York 10901  
Attention: James Glasgow  
Email: [jglasgow@castlelanterra.com](mailto:jglasgow@castlelanterra.com)

and with a copy to: Greenspoon Marder LLP  
1345 Avenue of the Americas, Suite 2200  
New York, New York 10105  
Attention: Mark S. Fawer, Esq.  
Email: [mark.fawer@gmlaw.com](mailto:mark.fawer@gmlaw.com)

or to such other addresses as any party hereto may request by notice served as required hereunder.

(13) Changes to this Agreement; Captions. 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.

(14) No Third Party Beneficiary. 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 the Administrative Agent, Senior Lender and the Subordinate Lender and their respective successors and assigns (including, without limitation, any holder of a replacement of the Senior Loan) shall have any rights under, this Agreement.

(15) Assignment; Successors and Assigns. Administrative Agent may assign the Senior Note and the other Senior Loan Documents without restriction. This Agreement shall be binding upon and shall inure to the benefit of the Administrative Agent, Senior Lender and the Subordinate Lender and their respective successors and assigns.

(16) No Partnership. This Agreement shall not in any respect be interpreted, deemed or construed as making Subordinate Lender a partner or joint venturer with any other person or entity, including, without limitation, Administrative Agent, Senior Lender or Owner, nor shall it be construed as making the Subordinate Lender the agent or representative of the Administrative Agent, Senior Lender or Owner nor the Administrative Agent, Senior Lender or Owner the agent or representative of the Subordinate Lender.

(17) Counterparts; Electronic Execution and Delivery. 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.

**ADMINISTRATIVE AGENT:**

**ACORE CAPITAL MORTGAGE, LP,**  
a Delaware limited partnership, in its capacity  
as administrative agent for and on behalf of the  
Lenders

By: ACORE Capital Mortgage GP, LLC,  
a Delaware limited liability company,  
its general partner

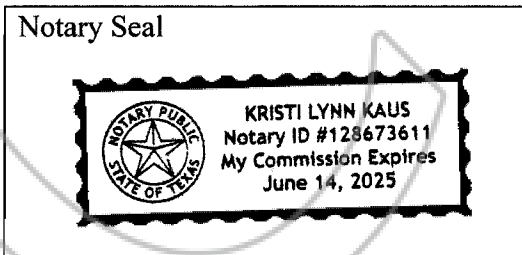
*[Handwritten Signature]*  
By: \_\_\_\_\_

Name: Adele Fairman  
Title: Authorized Signatory

STATE OF TEXAS )  
 )ss.  
COUNTY OF DALLAS )

On this 9 day of May, 2024, before me, the subscriber, a Notary Public in and for said State and County, personally appeared Adele Fairman, the Authorized Signatory of ACORE CAPITAL MORTGAGE GP, LLC, a Delaware limited liability company, the general partner of ACORE CAPITAL MORTGAGE, LP, a Delaware limited partnership, 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/she is authorized on behalf of said entities to execute all documents pertaining hereto and acknowledged to me that he/she executed the same as his/her voluntary act and deed on behalf of said entities.

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.



*[Handwritten Signature]*  
\_\_\_\_\_  
(Signature of Notary)

My Commission Expires: June 14, 2025  
(Signatures continue on the following page)

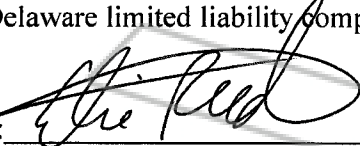




IN WITNESS WHEREOF, CL Credit Opportunities acknowledges and agrees to be bound by the provisions of this Subordination and Standstill Agreement which are applicable to Subordinate Lender.

**CL CREDIT:**

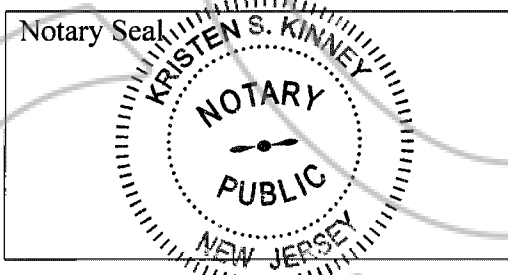
**CL CREDIT OPPORTUNITIES LLC,**  
a Delaware limited liability company

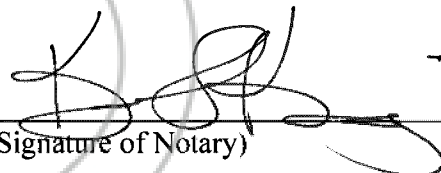
By:   
Name: Elie Rieder  
Title: Authorized Signatory

STATE OF New Jersey )  
COUNTY OF Bergen ) ss. Mahwah

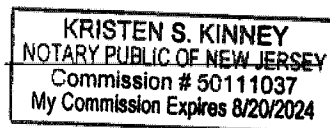
On this 1<sup>st</sup> day of July, 2024, before me, the subscriber, a Notary Public in and for said State and County, personally appeared ELIE RIEDER, the Authorized Signatory of CL CREDIT OPPORTUNITIES LLC, a Delaware limited liability company, known or identified to me to be the person whose name is subscribed to the within instrument, and in due form of law acknowledged that he/she is authorized on behalf of said company to execute all documents pertaining hereto and acknowledged to me that he/she executed the same as his/her 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.



  
(Signature of Notary)

My Commission Expires:



## EXHIBIT A

### Legal Description of the Senior Mortgage Property

The land referred to herein below is situated in the County of Douglas, State of Nevada, and described as follows:

#### PARCEL 1A:

THAT PORTION OF THE SOUTH HALF (S 1/2) OF SECTION 22, TOWNSHIP 13 NORTH, RANGE 18 EAST, M.D.B.&M., DOUGLAS COUNTY, NEVADA, DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE MEANDER LINE OF LAKE TAHOE, WHICH POINT IS THE SOUTHWEST CORNER OF LOT 2, OF SECTION 22, TOWNSHIP 13 NORTH, RANGE 18 EAST, M.D.B.&M.,

THENCE ALONG A LINE HEREAFTER REFERRED TO AS COURSE 1, NORTH 89°59'24" EAST 509.52 FEET ALONG THE QUARTER SECTION LINE TO THE CENTER-WEST ONE-SIXTEENTH CORNER (WEST ONE SIXTEENTH CORNER);

THENCE SOUTH 00°02'04" EAST (SOUTH ALONG THE ONE SIXTEENTH LINE), 217.00 FEET;

THENCE NORTH 89°11'56" WEST (NORTH 89°11'30" WEST), 457.06 FEET, TO A POINT ON THE MEANDER LINE, WHICH POINT IS SOUTH 14°02'15" EAST (SOUTH 14°00'00" EAST) 217.00 FEET FROM THE POINT OF BEGINNING:

THENCE, CONTINUING NORTH 89°11'56" WEST (NORTH 89°11'30" WEST) 50 FEET, MORE OR LESS, TO A POINT ON THE ORDINARY LOW WATER LINE OF LAKE TAHOE AT ELEVATION 6223.00 LAKE TAHOE DATUM;

THENCE, NORTHWESTERLY, 222 FEET, MORE OR LESS, ALONG SAID ORDINARY LOW WATER LINE AT 6223.00 LAKE TAHOE DATUM, TO A POINT ON THE WESTERLY EXTENSION OF THE AFORESAID COURSE 1;

THENCE, ALONG THE WESTERLY EXTENSION OF THE AFORESAID COURSE 1, NORTH 89°59'24" EAST, 75 FEET, MORE OR LESS, TO THE POINT OF BEGINNING.

EXCEPTING ANY PORTION OF THE ABOVE DESCRIBED PROPERTY LYING BELOW THE 6223.00 LEVEL OF LAKE TAHOE AND ALSO ANY ARTIFICIAL ACCRETIONS TO SAID LAND WATERWARD OF SAID LAND OR NATURAL ORDINARY LOW WATER OR IF LAKE LEVEL HAS BEEN ARTIFICIALLY LOWERED.

EXCEPTING ANY PORTION BELOW SUCH ELEVATION AS MAY BE ESTABLISHED

AS THE BOUNDARY BY BOUNDARY LINE ADJUSTMENT WITH THE STATE OR BY QUIET TITLE ACTION IN WHICH THE STATE IS A PARTY.

NOTE: THE ABOVE METES AND BOUNDS DESCRIPTION APPEARED PREVIOUSLY IN THAT CERTAIN DOCUMENT RECORDED DECEMBER 29, 2016 IN BOOK N/A AS INSTRUMENT NO. 2016-892776 OF OFFICIAL RECORDS.

PARCEL 1B:

A NON-EXCLUSIVE EASEMENT FOR INGRESS AND EGRESS RECORDED NOVEMBER 07, 2018 IN A RECIPROCAL ACCESS EASEMENT AGREEMENT IN BOOK N/A AS INSTRUMENT 2018-921866 IN THE OFFICE OF THE DOUGLAS COUNTY RECORDER.

PARCEL 2A:

UNITS 603 THROUGH 608, 701 THROUGH 708 AND 901 THROUGH 908, INCLUDING ALL GENERAL COMMON ELEMENTS (GCE) AND LIMITED COMMON ELEMENTS (LCE) WITHIN THEIR RESPECTIVE BUILDINGS AS SHOWN ON THE MAP OF FINAL CONDOMINIUM SUBDIVISION MAP (DP 22-0224) FOR TAHOE BEACH CLUB PHASE 2, FILED IN THE OFFICE OF THE COUNTY RECORDER OF DOUGLAS COUNTY, STATE OF NEVADA, ON AUGUST 18, 2023, AS INSTRUMENT NO. 2023-999650 AND AS SET FORTH IN THE AMENDED AND RESTATED DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS AND RESERVATION OF EASEMENTS FOR TAHOE BEACH CLUB CONDOMINIUMS RECORDED JUNE 19, 2019 AS INSTRUMENT 2019-930614; SECOND AMENDED AND RESTATED DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS AND RESERVATION OF EASEMENTS FOR TAHOE BEACH CLUB CONDOMINIUMS RECORDED APRIL 13, 2021 AS INSTRUMENT 2021-965433; AND FIRST AMENDMENT TO THE AMENDED AND RESTATED DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS AND RESERVATION OF EASEMENTS FOR TAHOE BEACH CLUB CONDOMINIUMS RECORDED JANUARY 06, 2022 AS INSTRUMENT 2022-979444 IN THE OFFICE OF THE DOUGLAS COUNTY RECORDER.

PARCEL 2B:

AN UNDIVIDED FRACTIONAL INTEREST IN THE COMMON AREAS AS SET FORTH IN THAT AMENDED AND RESTATED DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS AND RESERVATION OF EASEMENTS FOR TAHOE BEACH CLUB CONDOMINIUMS RECORDED JUNE 19, 2019 AS INSTRUMENT 2019-930614 SECOND AMENDED AND RESTATED DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS AND RESERVATION OF EASEMENTS FOR TAHOE BEACH CLUB CONDOMINIUMS RECORDED APRIL 13, 2021 AS INSTRUMENT 2021-965433; AND FIRST AMENDMENT TO THE AMENDED AND RESTATED DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS AND RESERVATION OF EASEMENTS FOR TAHOE BEACH CLUB CONDOMINIUMS RECORDED JANUARY 06,

2022 AS INSTRUMENT 2022-979444 IN THE OFFICE OF THE DOUGLAS COUNTY RECORDER.

PARCEL 2C:

THE EXCLUSIVE RIGHT AND EASEMENT OF ENJOYMENT IN AND TO THE LIMITED COMMON ELEMENTS APPURTENANT TO THE UNIT TO WHICH THEY ARE ALLOCATED, AS SET FORTH IN THAT AMENDED AND RESTATED DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS AND RESERVATION OF EASEMENTS FOR TAHOE BEACH CLUB CONDOMINIUMS RECORDED JUNE 19, 2019 AS INSTRUMENT 2019-930614 SECOND AMENDED AND RESTATED DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS AND RESERVATION OF EASEMENTS FOR TAHOE BEACH CLUB CONDOMINIUMS RECORDED APRIL 13, 2021 AS INSTRUMENT 2021-965433; AND FIRST AMENDMENT TO THE AMENDED AND RESTATED DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS AND RESERVATION OF EASEMENTS FOR TAHOE BEACH CLUB CONDOMINIUMS RECORDED JANUARY 06, 2022 AS INSTRUMENT 2022-979444 IN THE OFFICE OF THE DOUGLAS COUNTY RECORDER.

PARCEL 2D:

A NON-EXCLUSIVE EASEMENT FOR INGRESS AND EGRESS OVER THE GENERAL COMMON AREA AS SET FORTH IN THAT CERTAIN DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS AND RESERVATION OF EASEMENTS FOR TAHOE BEACH CLUB CONDOMINIUMS RECORDED JUNE 19, 2019 AS INSTRUMENT 2019-930614 SECOND AMENDED AND RESTATED DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS AND RESERVATION OF EASEMENTS FOR TAHOE BEACH CLUB CONDOMINIUMS RECORDED APRIL 13, 2021 AS INSTRUMENT 2021-965433; AND FIRST AMENDMENT TO THE AMENDED AND RESTATED DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS AND RESERVATION OF EASEMENTS FOR TAHOE BEACH CLUB CONDOMINIUMS RECORDED JANUARY 06, 2022 AS INSTRUMENT 2022-979444 IN THE OFFICE OF THE DOUGLAS COUNTY RECORDER.

PARCEL 2E:

A NON-EXCLUSIVE EASEMENT FOR INGRESS AND EGRESS RECORDED NOVEMBER 07, 2018 IN A RECIPROCAL ACCESS EASEMENT AGREEMENT IN BOOK N/A AS INSTRUMENT 2018-921866 IN THE OFFICE OF THE DOUGLAS COUNTY RECORDER.

PARCEL 2F:

A NON-EXCLUSIVE EASEMENT FOR INGRESS AND EGRESS TO THE BEACH AREA, AND FOR PASSIVE AND ACTIVE BEACH RECREATION, RECORDED JUNE 19, 2019 IN A BEACH USE AND ACCESS AGREEMENT AS INSTRUMENT 2019-930632 IN THE EXHIBIT A, Legal Description of Senior Mortgage Property – Page 3

OFFICE OF THE DOUGLAS COUNTY RECORDER.

COPY



## EXHIBIT B

### Legal Description of the Clubhouse Property

#### PARCEL 1A:

THAT PORTION OF THE SOUTH HALF (S 1/2) OF SECTION 22, TOWNSHIP 13 NORTH, RANGE 18 EAST, M.D.B.&M., DOUGLAS COUNTY, NEVADA, DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE MEANDER LINE OF LAKE TAHOE, WHICH POINT IS THE SOUTHWEST CORNER OF LOT 2, OF SECTION 22, TOWNSHIP 13 NORTH, RANGE 18 EAST, M.D.B.&M.,

THENCE ALONG A LINE HEREAFTER REFERRED TO AS COURSE 1, NORTH 89°59'24" EAST 509.52 FEET ALONG THE QUARTER SECTION LINE TO THE CENTER-WEST ONE-SIXTEENTH CORNER (WEST ONE SIXTEENTH CORNER);

THENCE SOUTH 00°02'04" EAST (SOUTH ALONG THE ONE SIXTEENTH LINE), 217.00 FEET;

THENCE NORTH 89°11'56" WEST (NORTH 89°11'30" WEST), 457.06 FEET, TO A POINT ON THE MEANDER LINE, WHICH POINT IS SOUTH 14°02'15" EAST (SOUTH 14°00'00" EAST) 217.00 FEET FROM THE POINT OF BEGINNING:

THENCE, CONTINUING NORTH 89°11'56" WEST (NORTH 89°11'30" WEST) 50 FEET, MORE OR LESS, TO A POINT ON THE ORDINARY LOW WATER LINE OF LAKE TAHOE AT ELEVATION 6223.00 LAKE TAHOE DATUM;

THENCE, NORTHWESTERLY, 222 FEET, MORE OR LESS, ALONG SAID ORDINARY LOW WATER LINE AT 6223.00 LAKE TAHOE DATUM, TO A POINT ON THE WESTERLY EXTENSION OF THE AFORESAID COURSE 1;

THENCE, ALONG THE WESTERLY EXTENSION OF THE AFORESAID COURSE 1, NORTH 89°59'24" EAST, 75 FEET, MORE OR LESS, TO THE POINT OF BEGINNING.

EXCEPTING ANY PORTION OF THE ABOVE DESCRIBED PROPERTY LYING BELOW THE 6223.00 LEVEL OF LAKE TAHOE AND ALSO ANY ARTIFICIAL ACCRETIONS TO SAID LAND WATERWARD OF SAID LAND OR NATURAL ORDINARY LOW WATER OR IF LAKE LEVEL HAS BEEN ARTIFICIALLY LOWERED.

EXCEPTING ANY PORTION BELOW SUCH ELEVATION AS MAY BE ESTABLISHED AS THE BOUNDARY BY BOUNDARY LINE ADJUSTMENT WITH THE STATE OR BY QUIET TITLE ACTION IN WHICH THE STATE IS A PARTY.

NOTE: THE ABOVE METES AND BOUNDS DESCRIPTION APPEARED PREVIOUSLY IN THAT CERTAIN DOCUMENT RECORDED DECEMBER 29, 2016 IN BOOK N/A AS INSTRUMENT NO. 2016-892776 OF OFFICIAL RECORDS.

PARCEL 1B:

A NON-EXCLUSIVE EASEMENT FOR INGRESS AND EGRESS RECORDED NOVEMBER 07, 2018 IN A RECIPROCAL ACCESS EASEMENT AGREEMENT IN BOOK N/A AS INSTRUMENT 2018-921866 IN THE OFFICE OF THE DOUGLAS COUNTY RECORDER.



## EXHIBIT C

### Subordinate Loan Documents

(Except as indicated below, all documents are dated as of July 3, 2024)

1. Loan Agreement made by and among Zephyr Development, LLC and Subordinate Lender.
2. Promissory Note in the original principal amount of \$15,000,000.00 made by Zephyr Development, LLC to Subordinate Lender.
3. Deed of Trust, Assignment of Leases and Rents, Security Agreement and Fixture Filing made by Tahoe Beach Club, LLC, as Trustor, to Title Company, as Trustee, in favor of Subordinate Lender, as Beneficiary, and recorded as Document No. 2024-\_\_\_\_\_ in the Office of the Clerk of Douglas County, Nevada.
4. Assignment of Leases and Rents made by Tahoe Beach Club, LLC to Subordinate Lender, and recorded as Document No. 2024-\_\_\_\_\_ in the Office of the Clerk of Douglas County, Nevada.
5. UCC-1 (Douglas County) for Tahoe Beach Club, LLC in favor of Subordinate Lender.
6. UCC-1 (Nevada) for TBC Development, LLC in favor of Subordinate Lender.
7. UCC-1 (Nevada) for Tahoe Beach Club, LLC in favor of Subordinate Lender.
8. Mezzanine Collateral Assignment of Deed of Trust made by Subordinate Lender, as assignor, in favor of ACORE Capital Mortgage, LP, as assignee, and recorded as Document No. 2024-\_\_\_\_\_ in the Office of the Clerk of Douglas County, Nevada.
9. Pledge and Security Agreement made by TBC Development, LLC in favor of Subordinate Lender.
10. Certification of Trust made by Gary B. Sabin Family Trust dated May 20, 1982

(Restatement dated January 19, 1995).

11. Carry Guaranty made by Guarantor for the benefit of Subordinate Lender.
12. Completion Guaranty made by Guarantor for the benefit of Subordinate Lender.
13. Guaranty of Recourse Obligations made by Guarantor for the benefit for Subordinate Lender.
14. Environmental Indemnity Agreement made by Zephyr Development and Guarantor for the benefit for Subordinate Lender.
15. Subordination of General Contractor's Agreement made among Zephyr Development, LLC, Sierracon NV Inc., and Subordinate Lender.
16. Subordination of Architect's Agreement made by Zephyr Development, LLC, Beach Club Development Phase II, LLC, Jeffrey A. Lundahl, Architect Ltd., and Subordinate Lender.
17. Subordination and Standstill Agreement among Subordinate Lender and GBS Capital, LLC, a Nevada limited liability company.
18. Cooperation Agreement Regarding Liquor Licenses made by and between TBC LQ, LLC, Zephyr Development, LLC, Tahoe Beach Club, LLC, and Subordinate Lender.
19. Acknowledgement of Escrow Agent, Developer and Borrower by Title Company, Phase II Owner, and Zephyr Development, LLC.
20. Conditional Resignation of Directors by the Board of Directors of Tahoe Beach Club Owners Association, a Nevada nonprofit corporation.
21. Condominium Board Estoppel Certificate by the Condominium Board of Directors of Tahoe Beach Club Condominiums to Subordinate Lender.
22. Irrevocable Direction Letter by Zephyr Development, LLC and Subordinate Lender, acknowledged and agreed to by Tahoe Beach Club, LLC and TBC Development, LLC.
23. Irrevocable Proxy by Phase II Owner in favor of Subordinate Lender.

24. Post-Closing Obligations Agreement by Zephyr Development, LLC and Subordinate Lender.

