TIME EQUITIES SECURITIES LLC

CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM

TEI QUARTERLY DEBT FUND LLC

DATED May 29, 2024

TIME EQUITIES SECURITIES LLC, 55 FIFTH AVENUE
NEW YORK, NEW YORK 10003
(212) 206-6176 • TESECURITIES@TIMEEQUITIES.COM

This is neither an offer to sell nor a solicitation of an offer to buy the securities referenced herein. The offering of units of membership interests (the "***Units***") in TEI Quarterly Debt Fund LLC (the "***Company***" or the "***Fund***") is made only by this Confidential Private Placement Memorandum of the Company, including all exhibits thereto (the "***Memorandum***"). You must read the entire Memorandum in order to fully understand the risks related to the purchase of Units in the Company. The information set forth herein is not an indication of future performance and there is no assurance that the Company will experience similar returns. Securities Offered Through Time Equities Securities LLC, a Member of FINRA.

CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM

TEI QUARTERLY DEBT FUND LLC

Initial Units of Membership Interests
20,000 Units at $5,000 Per Unit
Minimum Purchase: Five (5) Units ($25,000)
Initial Offering Amount: $100,000,000
Maximum Offering Amount $300,000,000

TEI Quarterly Debt Fund LLC, a Delaware limited liability company (the "***Company***" or the "***Fund***"), has been formed, as further described in this Memorandum, to: (i) preserve the Investors' Capital Contributions, (ii) provide the Investors with the Stated Return from payments generated by the Primary Loan, including Quarterly Distributions to the Investors, and (iii) to have sufficient liquidity to fund redemptions of all or part of an Investor's Capital Contribution on the terms set forth in this Memorandum.

TEI Quarterly Debt Fund Manager LLC, a Delaware limited liability company, is the "***Manager***" of the Fund. Francis Greenburger and Robert Kantor are the co-managers of the Manager.

Capitalized terms used herein and not otherwise defined below have the meanings set forth in the Operating Agreement for the Fund (the "***Operating Agreement***"), a copy of which is attached to this Memorandum as **Exhibit A**.

This Memorandum may be supplemented from time to time by one or more project supplements or addendums (each, a "***Project Supplement***"), on or prior to the Offering Termination Date, as defined below.

The Fund will use its net Capital Contributions to make a loan (the "***Primary Loan***") to TEI Quarterly Debt Fund Borrower LLC, a newly formed Delaware limited liability company managed by Francis Greenburger and Robert Kantor (the "***Primary Borrower***"). Primary Borrower may then use the proceeds to make loans to Affiliates of Time Equities, Inc., a New York corporation solely controlled by Francis Greenburger ("***TEI***") (hereinafter, "***Affiliate Loans***"). The Affiliates may use Affiliate Loan proceeds for any legal purposes. Such purposes include, but are not limited to: (i) general working capital; (ii) operating costs and expenses; (iii) investments; (iv) acquisitions of real or personal property; (v) funding of capital expenses, capital

improvements, and leasing costs (tenant improvements and leasing commissions); and (vi) making loans to other Affiliates and/or Time Equities Associates LLC. In addition to the Primary Loan, the Fund may use Capital Contributions to pay offering and marketing expenses for this Offering. For purposes hereof "***Affiliates***" are entities owned, in whole or in part, and/or controlled by Francis Greenburger and/or Robert Kantor, TEI LLC or TEI. The Primary Loan obligations will be guaranteed by TEI LLC.

In addition to the guarantee of the Primary Loan obligations, in the event the Primary Loan payments made to the Fund are not sufficient to permit the Fund to make the quarterly Stated Return distributions and the repayment of 100% of the Capital Contributions made to the Fund, TEI LLC, a New York limited liability company (that is wholly owned by Francis Greenburger), shall guarantee (the "***TEI LLC Guaranty***") repayment to the Fund of the amount needed by the Fund to make the quarterly Stated Return distributions and the return of one hundred percent (100%) of the Capital Contributions made to the Fund pursuant to allowable redemption requests or upon the termination of the Fund). TEI LLC's net worth was in excess of $300,000,000 as of the most recent Financial Statement dated December 31, 2022 and is expected to be equal to or greater than that amount as of the end of 2023 (the 2023 statement is projected to be issued by the end of August, 2024).

At the discretion of the Primary Borrower, the Primary Borrower shall make the Affiliate Loans. It is anticipated that Affiliates may own a wide range of real properties and/or personal properties, other investments, and/or whole or partial undivided interests therein, which may consist of real estate properties and/or debt instruments including retail, office, multi-family, mixed use buildings, parking garages and industrial real estate properties, secured debt through either a mortgage or deed of trust and/or a pledge of all or a part of the ownership interests of a borrower, participations in secured or mezzanine debt and vacant land for development or redevelopment, which often times may consist of excess land included as part of an acquisition of a developed property, and/or other investments selected by an Affiliate (hereinafter, "***Investments***"). The types of Investments owned by Affiliates may include, but are not limited to real estate, including office, industrial, retail, residential and special-use real properties located throughout the world, personal property, including but is not limited to, commodities, stock, membership or partnership interests, renewable and sustainable energy projects, mortgage loans, unsecured and secured loans, subordinate loans and/or mezzanine loans, and/or other private equity investments. Many of the Affiliates or their investments may be in start-up, early, transitional, developmental, and/or middle stages of the capital cycle.

A more detailed description regarding the structure of the Primary Loan and Affiliate Loans is set forth below in the Summary.

The Fund is offering for sale (the "***Offering***") up to 20,000 units of membership interests (each, a "***Unit***", and collectively, the "***Units***") at a purchase price of $5,000 per Unit for an initial aggregate offering amount of $100,000,000 (the "***Initial Offering Amount***") upon the terms and conditions set forth in this Memorandum. The purchasers of the Units will become the members of the Fund (the "***Members***" and/or "***Investors***"). The minimum purchase by an Investor is five (5) Units. Units are transferable only upon the satisfaction of certain requirements. The Manager reserves the right, in its sole discretion, to accept subscription amounts that are fewer than five (5) Units. **You should read this Memorandum in its entirety before making an investment decision.**

Notwithstanding anything to the contrary contained herein, the Manager, in its sole discretion, at any time prior to the Offering Termination Date (as defined below), may increase the amount of the Offering in any amount up to $200,000,000. Such increase will be effectuated by issuing up to an additional 20,000 Units. Additionally, provided the net worth of TEI LLC is a minimum of $400,000,000, as indicated on TEI LLC's then most recent financial statement, the Manager, in its sole discretion, at any time prior to the Offering Termination Date, may increase the amount of the Offering to any amount above $200,000,000, but not to exceed $300,000,000 (the "***Maximum Offering Amount***"). Such an increase will be effectuated by issuing up to a maximum of 60,000 Units.

The Units are being offered at the discretion of the Manager until the date the Initial Offering Amount is fully funded or the Maximum Offering Amount is fully funded, if the Manager decides to increase the amount of the Offering as described hereinabove. Notwithstanding the foregoing, the Manager may terminate this Offering at an earlier date in the sole discretion of the Manager, but in no event earlier than **January 1, 2025** (the **"*Offering Termination Date*")**.

Unreturned Capital may be redeemed by an Investor upon the following terms and conditions. Investors shall have the option to request that their investment be redeemed after the first full calendar quarter of their investment, subject to the overall redemption limitations capping redemptions at 6.25% of the total capital invested in the Fund during any calendar quarter and 25% during any calendar year. In the event of a redemption, Investors shall be entitled to any accrued and unpaid Stated Return. Early redemptions are not permitted prior to the first full calendar quarter after a Capital Contribution is funded by an Investor. For more information on redemptions, see the section titled "**Redemption Rights Summary**" set forth below.

The purchase price for the Units subscribed for by an Investor shall be payable in full upon the delivery of an Investor's Subscription Agreement, the form of which is attached to this Memorandum as **Exhibit B**.

The Fund expects to make distributions equal to the Stated Return (as hereinafter defined) on a quarterly basis to Investors calculated based on the amount of their Unreturned Capital Contributions ("***Quarterly Distributions***"). Quarterly Distributions will begin following the first full calendar quarter after the date of the Company's receipt of an Investor's Capital Contribution and acceptance of an Investor's executed Subscription Agreement until the earlier of: (i) the redemption of all Units held by the Investors; or (ii) the payoff of the Primary Loan; or (iii) the date that there is no longer any Unreturned Capital Contributions. The "***Stated Return***" shall be equal to 7% per annum through December 31, 2024. Thereafter, commencing January 1, 2025, and on the first business day of each calendar quarter thereafter (January 1, April 1, July 1, and October 1 of each calendar year), the Stated Return shall be adjusted to be equal to the Three (3) Month U.S. Treasury Bill (the "***3 Month UST***") plus one hundred fifty (150) basis points. The 3 Month UST shall be determined as being equal to the "closing price" of record as set forth in the Daily Treasury Statement published by the U.S. Department of the Treasury at 4:00 p.m. Eastern (or the market closing time) on the last business day of each previous calendar quarter. The Fund intends to commence making Quarterly Distributions to the Members beginning in the first full calendar quarter after the date of the Company's receipt of an Investor's Capital Contribution and acceptance of an Investor's executed Subscription Agreement. Quarterly Distributions are paid in arrears and any amounts accrued for any partial calendar quarter of an Investor's Capital Contribution will be paid with the first Quarterly Distribution following the first full calendar

quarter after the date of the Company's receipt of an Investor's Capital Contribution and acceptance of an Investor's executed Subscription Agreement.

The principal objectives of the Fund are to: (i) preserve the Investors' Capital Contributions, (ii) provide the Investors with the Stated Return from cash flow generated by the Primary Loan, and (iii) to have sufficient liquidity to fund redemptions of all or part of an Investor's Capital Contribution. **There can be no assurance that any of these objectives will be achieved.**

The Units are being offered for sale on a best-efforts basis. There is no guaranty as to the amount that will be subscribed for by Investors. There is no minimum amount to be raised from Investors. The Fund will commence with the first completed Subscription Agreement by an Investor. There will be no escrow required for subscriptions funded by any third-party Investors. Cash tendered by Investors to the Fund in payment for Units, upon acceptance of their Subscription Agreements, will be paid to the Fund and deposited into its operating account.

Units offered hereby are speculative and an investment in Units involves substantial risks, including, but not limited to, the risks associated with the start-up nature of the Company, which is a newly formed entity with no operating history, lack of liquidity, risks pertaining to operating and financing the Investments, potential lack of diversity of the Investments, the Manager has limited capital, reliance on the Primary Borrower to Affiliates of the Manager or third parties to manage the Investments, uncertainty as to the real or personal properties for the Investments, the use of debt, secured and unsecured, to lend to the owners of the Investments, uncertainty as to the amount and type of debt used to collateralize the Investments, lack of any binding financing commitments, substantial fees and distributions payable to the Manager and its Affiliates and the existence of various conflicts of interest between the Manager and its Affiliates, and the Company. See "**Risk Factors**" and **"Conflicts of Interest**".

The mailing address of the Fund is C/O Time Equities Securities LLC, 55 Fifth Avenue, 15th Floor, New York, New York 10003 and the telephone number is (212) 206-6176.

Neither the Securities and Exchange Commission (the "*SEC*") nor any state securities commission has approved or disapproved these securities or passed upon the accuracy or adequacy of this Memorandum. Any representation to the contrary is a criminal offense.

These securities are subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under the Securities Act of 1933, as amended (the "*Securities Act*"), applicable state securities laws, pursuant to registration or exemption therefrom, and the Operating Agreement. Investors should be aware that they will be required to bear the financial risks of this investment for an indefinite period of time.

1) The Fund shall pay an annual servicing and distribution fee equal to 1.50% of the Capital Contributions in the Fund (the "***SD Fee***") to the parties described below. Such annual SD Fee shall be calculated and paid in quarterly installments equal to 0.375% of the Capital Contributions in the Fund as of the last day of each calendar quarter.

2) Offers and sales of Units will be made on a best-efforts basis, subject to the initial offering amount to be invested by the Manager and its Affiliates and the Maximum Offering Amount of this Offering, by broker-dealers (each a "***Selling Group Member***", and collectively, the "***Selling Group***" or "***Selling Group Members***") who are members of FINRA. Time Equities Securities LLC, a New York limited liability company, an Affiliate of the Manager and a member of FINRA ("***TES***"), will act as the "***Managing Broker-Dealer***" and shall be paid the SD Fee in lieu of any selling commissions. TES will re-allow up to 1% of the amount subscribed to be paid to the Selling Group Members; *provided, however*, that this amount may be reduced to the extent TES, on behalf of the Fund, negotiates a lower commission rate with a Selling Group Member and the commission rate will then be the lower agreed upon rate. Units may also be sold by registered investment advisors and such Unit sales often do not include selling commissions. Such amount paid to the other Selling Group Members shall reduce the SD Fee paid to TES on a dollar-for-dollar basis. In addition, on an ongoing basis, TES may, in TES' sole discretion, share up to two-thirds (2/3rd) of the SD Fee (i.e., 1% of the amount subscribed and remaining as invested capital in the Fund) with Selling Group Members in the form of a trail based compensation structure which will reduce the amount of the SD Fee paid to TES on a dollar-for-dollar basis. If Units are sold by a registered investment advisor, and such registered investment advisor foregoes receiving the payment of any Selling Commissions, then TES may, if requested by such registered investment adviser and the applicable Investor, pay up to two-thirds (2/3rd) of the SD Fee (i.e., 1% of the amount subscribed and remaining as invested capital in the Fund) to the applicable Investor and such payment to the Investor shall reduce the SD Fee paid to TES on a dollar-for-dollar basis. TES will also re-allow to Selling Group Members on a non-accountable basis, allowances for marketing and due diligence expenses of up to 1% of the amount subscribed. This amount will be received on a non-accountable basis and reimbursed to TES from the SD Fee. In such circumstance, if in year-1 of an Investment the Selling Group Members received payments in excess of 1.5% of the amount subscribed, then TES shall reduce the amount of its year-2 SD Fee on a dollar-for-dollar basis with the same treatment for future years.

3) The minimum purchase is five (5) Units for a total purchase price of $25,000, except that the Manager may permit certain Investors to purchase fewer Units, in its sole discretion.

4) None of the subscription payments received from third party Investors will be held in escrow, but instead will be paid directly to the Fund upon the Manager's acceptance of an Investor's subscription agreement.

The purchase of Units involves substantial risks and an investment in the Units is speculative. Investors should read and carefully consider the discussion set forth under "Risk Factors". This Memorandum contains forward-looking statements that involve risks and uncertainties. The Fund's actual results may differ significantly from the results discussed in the forward-looking statements. Factors that might cause such differences include, but are not limited to, those discussed under "Risk Factors".

The purchase of Units is suitable only for persons of substantial means who have no need for liquidity in their investment in the Fund. See "Who May Invest". You should carefully consider the following:

1. You are not to construe the contents of this Memorandum as legal or tax advice. You should consult your own counsel, accountant, financial advisor or business advisor as to legal, tax and related matters concerning an investment.

2. The Units may be offered and sold only to investors who meet the Investor Suitability Requirements set forth under "**Who May Invest**" in this Memorandum.

3. No person has been authorized by the Fund or the Manager to make any representations or furnish any information with respect to the Fund or the Units, other than the representations and information set forth in this Memorandum or other documents or information furnished by the Fund or the Manager upon request as described in this Memorandum. However, authorized representatives of the Fund will, if such information is reasonably available, provide additional information which you or your representative requests for the purpose of evaluating the merits and risks of this Offering.

4. Any predictions and representations, written or oral, which do not conform to those contained in this Memorandum, should be disregarded, and their use is a violation of the law. No representation or warranty can be given that the estimates, opinions or assumptions made herein will prove to be accurate.

5. Trustees, custodians and fiduciaries of retirement and other plans (the "***Plan***") subject to the Employee Retirement Income Security Act of 1974 ("***ERISA***") or Internal Revenue Code of 1986, as amended (the "***Code***") Section 4975 (all references to "***Code Section***" are references to Sections of the Code, unless otherwise indicated) (including individual retirement accounts) should consider, among other things: (i) that the Plan, although generally exempt from federal income taxation, would be subject to income taxation were its unrelated business taxable income from an investment in the Fund and other unrelated business taxable income exceed $1,000 in any taxable year (it is anticipated that if the Fund generates taxable income, it will be considered unrelated business taxable income), (ii) whether an investment in the Fund is advisable given the definition of plan assets under ERISA and the status of Department of Labor regulations regarding the definition of plan assets, (iii) whether the investment is in accordance with plan documents and satisfies the diversification requirements of Section 404(a) of ERISA, (iv) whether the investment is prudent under Section 404(a) of ERISA, considering the nature of an investment in, and the compensation structure of, the Fund and the potential lack of liquidity of the Units, (v) that the Fund has no history of operations and (vi) whether the Fund or any Affiliate is a fiduciary or party in interest to the plan. In addition, the Operating Agreement prohibits Employee Benefit Plans from acquiring 25% or more of the total Units. The prudence of a particular investment must be determined by the responsible fiduciary considering all the facts and circumstances of the Qualified Plan and of the investment. See "**Federal Income Tax Consequences – Investment by Qualified Plans and IRAs – Unrelated Business Taxable Income" and "Investment by Qualified Plans and IRAs**".

6. The Units are being offered until the Offering Termination Date (as such may be extended).

7. This Memorandum does not constitute an offer or solicitation to anyone in any jurisdiction in which such an offer or solicitation is not authorized. In addition, this Memorandum constitutes an offer only if the name of an offeree in the Fund's records matches the copy number that appears in the appropriate space on the first page of this cover page and is an offer only to such offeree.

8. This Memorandum has been prepared solely for the benefit of persons interested in the proposed private placement of the Units offered hereby, and any reproduction or distribution of this Memorandum, in whole or in part, or the disclosure of any of its contents, without the prior written consent of the Manager, is prohibited. The recipient, by accepting delivery of this Memorandum, agrees to return this Memorandum and all documents furnished herewith to the Manager or its representatives upon request if the recipient does not purchase any of the Units offered hereby or if the Offering is withdrawn or terminated.

9. The Manager may reject a prospective investor's Subscription Agreement for any reason. Subscription Agreements will be rejected for failure to conform to the requirements of the Offering or such other reasons as the Manager may determine in its sole discretion to be in the best interests of the Fund. Subscription Agreements may not be revoked, canceled or terminated by the subscriber, except as therein provided.

10. This Offering is made exclusively by this Memorandum. This Memorandum contains a summary of certain provisions of the Operating Agreement, but only the Operating Agreement contains complete information concerning the rights and obligations of the parties thereto. This Memorandum contains summaries of certain other documents, which summaries are believed to be accurate, but reference is hereby made to the actual documents for complete information concerning the rights and obligations of the parties thereto. Such information necessarily incorporates significant assumptions, as well as factual matters. All documents relating to this investment and related documents and agreements will be made available to you or your advisors upon request to the Manager.

11. During the course of the Offering and prior to sale, investors are invited to ask questions to and obtain additional information from the Manager concerning the terms and conditions of the Offering, the Fund, an Affiliate borrower, the Manager and its Affiliates, the Units and any other relevant matters, including, but not limited to, additional information to verify the accuracy of the information set forth in this Memorandum. The Manager will provide such information to the extent it possesses it or can acquire it without unreasonable effort or expense.

12. The Units are offered by the Fund subject to receipt and acceptance by the Manager of the Fund of the relevant Subscription Agreement, the right of the Manager to reject any Subscription Agreement for Units in whole or in part, withdrawal, cancellation or modification of the Offering without notice to investors, and to certain other conditions.

13. Because the Units are not registered under the Securities Act or the securities laws of any state, investors must hold them indefinitely unless they are registered under the Securities Act and any applicable state securities laws, which registration the Manager does not expect to occur, or the Manager is satisfied, with the advice of counsel, that registration is not required under the Securities Act and applicable state laws. The Operating Agreement also contains significant restrictions on the sale, transfer or other disposition of the Units by an investor. It is highly unlikely that a public market will ever exist for the Units.

14. The price per Unit has been arbitrarily determined and is not the result of an arm's length negotiation.

15. The Manager will maintain a list of states where the Units may be offered and sold.

The securities offered hereby have not been registered under the Securities Act or the securities laws of any state and are being offered and sold in reliance on exemptions from the registration requirements of said act and such laws. The Units are subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under said act and such laws pursuant to registration or exemption therefrom.

In making an investment decision, you must rely on your own examination of the person or entity creating the securities and the terms of the Offering, including the merits and risks involved. These securities have not been recommended by any federal or state securities commission or regulatory authority.

The Securities Act and the securities laws of certain jurisdictions grant purchasers of securities sold in violation of the registration or qualification provisions of such laws the right to rescind their purchase of such securities and to receive back their consideration paid. The Manager believes that the Offering described in this Memorandum is not required to be registered or qualified. Many of these laws granting the right of rescission also provide that suits for such violations must be brought within a specified time, usually one year from discovery of facts constituting such violation. Should any investor institute such an action on the theory that the Offering conducted as described herein was required to be registered or qualified, the Manager will contend that the contents of this Memorandum constituted notice of the facts constituting such violation.

No person has been authorized to give any information or make any representations other than those set forth in this Memorandum, and, if given or made, such information or representations must not be relied upon as having been given by the Fund, the Manager or their Affiliates.

This Memorandum does not constitute an offer or solicitation by anyone in any jurisdiction in which such an offer or solicitation is not authorized, or in which the person making such an offer is not qualified to do so, or to any person to whom it is unlawful to make an offer or solicitation.

Neither the information contained herein nor any prior, contemporaneous or subsequent communication should be construed by you as legal or tax advice. You should consult your own legal and tax advisors to ascertain the merits and risks of an investment in Units before investing.

TREASURY DEPARTMENT CIRCULAR 230 NOTICE. TO ENSURE COMPLIANCE WITH CIRCULAR 230, PROSPECTIVE INVESTORS ARE HEREBY NOTIFIED THAT: ANY DISCUSSION OF FEDERAL TAX ISSUES CONTAINED OR REFERENCED TO IN THIS MEMORANDUM IS NOT INTENDED OR WRITTEN TO BE USED, AND CANNOT BE USED, BY PROSPECTIVE INVESTORS FOR THE PURPOSE OF AVOIDING PENALTIES THAT MAY BE IMPOSED ON THEM UNDER THE CODE; SUCH DISCUSSION IS WRITTEN IN CONNECTION WITH THE PROMOTION OR MARKETING BY THE COMPANY OF THE TRANSACTIONS OR MATTERS ADDRESSED IN THIS MEMORANDUM; AND PROSPECTIVE INVESTORS SHOULD SEEK ADVICE BASED ON THEIR PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISOR.

NOTICE TO RESIDENTS OF ALL STATES:

IN MAKING AN INVESTMENT DECISION INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE ISSUES AND TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THESE SECURITIES HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED OR DETERMINED THE ACCURACY OF THE DOCUMENTS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE. THESE SECURITIES ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE AND MAY NOT BE TRANSFERRED OR RESOLD EXCEPT AS PERMITTED UNDER THE SECURITIES LAWS, PURSUANT TO REGISTRATION OR EXEMPTION THEREFROM. INVESTORS SHOULD BE AWARE THAT THEY MAY BE REQUIRED TO BEAR THE FINANCIAL RISKS OF THIS INVESTMENT FOR AN INDEFINITE PERIOD OF TIME.

FOR FLORIDA RESIDENTS ONLY:

THE SECURITIES OFFERED HEREBY HAVE NOT BEEN REGISTERED UNDER THE FLORIDA SECURITIES AND INVESTOR PROTECTION ACT AND ARE BEING OFFERED AND SOLD IN RELIANCE UPON AN EXEMPTION CONTAINED THEREIN. UNDER FLORIDA LAW, IF SECURITIES ARE SOLD TO FIVE OR MORE FLORIDA RESIDENTS,

SUCH INVESTORS WILL HAVE A THREE DAY RIGHT OF RESCISSION. INVESTORS WHO HAVE EXECUTED A SUBSCRIPTION AGREEMENT MAY ELECT, WITHIN THREE BUSINESS DAYS AFTER THE FIRST TENDER OF CONSIDERATION THEREFORE, TO WITHDRAW THEIR SUBSCRIPTION AND RECEIVE A FULL REFUND OF ANY MONEY PAID BY THEM. SUCH WITHDRAWAL WILL BE WITHOUT ANY LIABILITY TO ANY PERSON. TO ACCOMPLISH SUCH WITHDRAWAL, THE WITHDRAWING INVESTOR MUST: (i) PROVIDE WRITTEN NOTICE TO THE FUND INDICATING THE INVESTOR'S DESIRE TO WITHDRAW AND (ii) NOT BE A BANK, A TRUST FUND, A SAVINGS INSTITUTION, AN INSURANCE COMPANY, A DEALER, AN INVESTMENT COMPANY, A PENSION OR PROFIT-SHARING TRUST, OR A QUALIFIED INSTITUTIONAL BUYER. THE WRITTEN NOTICE MUST BE SENT AND POSTMARKED PRIOR TO THE END OF THE THIRD BUSINESS DAY AFTER THE FIRST TENDER OF CONSIDERATION FOR THE SECURITIES PURCHASED. NOTICE LETTERS SHOULD BE SENT BY CERTIFIED MAIL, RETURN RECEIPT REQUESTED, TO ENSURE THAT IT IS RECEIVED AND TO EVIDENCE THE TIME WHEN IT IS MAILED. ANY ORAL REQUESTS FOR RESCISSION SHOULD BE ACCOMPANIED BY A REQUEST FOR WRITTEN CONFIRMATION FROM THE FUND THAT THE ORAL REQUEST WAS RECEIVED ON A TIMELY BASIS.

FOR PENNSYLVANIA RESIDENTS ONLY

EACH SUBSCRIBER WHO IS A PENNSYLVANIA RESIDENT HAS THE RIGHT TO CANCEL AND WITHDRAW HIS OR HER SUBSCRIPTION AND HIS OR HER PURCHASE OF SECURITIES THEREUNDER, UPON WRITTEN NOTICE TO THE FUND GIVEN WITHIN TWO BUSINESS DAYS FOLLOWING THE RECEIPT BY THE FUND OF HIS OR HER EXECUTED SUBSCRIPTION AGREEMENT. ANY LETTER OR TELEGRAM NOTICE SHOULD BE SENT AND POSTMARKED PRIOR TO THE END OF THE AFOREMENTIONED SECOND BUSINESS DAY. IF YOU ARE SENDING A LETTER, IT IS PRUDENT TO SEND IT BY CERTIFIED MAIL, RETURN RECEIPT REQUESTED, TO ENSURE THAT IT IS RECEIVED AND ALSO TO EVIDENCE THE TIME WHEN IT WAS MAILED. IF YOU MAKE THE REQUEST ORALLY, YOU SHOULD ASK FOR WRITTEN CONFIRMATION FROM THE FUND THAT YOUR REQUEST HAS BEEN RECEIVED. UPON SUCH CANCELLATION OR WITHDRAWAL, THE SUBSCRIBER WILL HAVE NO OBLIGATION OR DUTY UNDER THE SUBSCRIPTION AGREEMENT TO THE FUND OR ANY OTHER PERSON AND WILL BE ENTITLED TO THE FULL RETURN OF ANY AMOUNT PAID BY HIM OR HER, WITHOUT INTEREST. NEITHER THE PENNSYLVANIA SECURITIES COMMISSION NOR ANY OTHER AGENCY PASSED ON OR ENDORSED THE MERITS OF THIS OFFERING, AND ANY REPRESENTATION TO THE CONTRARY IS UNLAWFUL. YOUR WITHDRAWAL WILL BE WITHOUT ANY FURTHER LIABILITY TO ANY PERSON.

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EXHIBITS:

A Operating Agreement (Exhibit A to the Operating Agreement contains the definitions that apply both to the Operating Agreement and the Memorandum)
B Instructions to Investors and Subscription Agreement
C Organizational Chart for the Fund, the Primary Borrower and Loan Structure

WHO MAY INVEST

The offer and sale of the Units are being made in reliance on an exemption from the registration requirements of the Securities Act. Accordingly, distribution of this Memorandum has been strictly limited to persons who meet the requirements and make the representations set forth below. The Manager reserves the right to declare any prospective investor ineligible to purchase Units based on any information that may become known or available to the Manager concerning the suitability of such prospective investor or for any other reason.

Investor Suitability Requirements

Investment in the Units involves a high degree of risk and is suitable only for persons of substantial financial means who have no need for liquidity in this investment. Investors should be able to afford the loss of their entire investment. This investment will be sold only to investors who: (i) purchase a minimum of five (5) Units for a purchase price of $25,000, except that the Company may permit certain investors to purchase fewer Units in its sole discretion, and (ii) represent in writing that they meet the investor suitability requirements established by the Manager and as may be required under federal or state law, and (iii) provide all the required documentation as detailed in the Subscription Agreement. The written representations you make and the documentation provided by you will be reviewed to determine your suitability. The Manager reserves the right, in its sole discretion, to accept smaller subscription amounts.

As a proposed investor in Units, you must represent in writing that you meet, among others, all of the following requirements (the "***Investor Suitability Requirements***"):

(a) You have received, read and fully understand this Memorandum and all Exhibits and attachments hereto. You are basing your decision to invest on this Memorandum and all Exhibits and attachments hereto. You have relied on information contained in these materials and have not relied upon any representations made by any other person;

(b) You understand that an investment in the Units is speculative and involves substantial risks and you are fully cognizant of and understand the risks relating to a purchase of the Units including, but not limited to, those risks set forth in the section entitled "**Risk Factors**" in this Memorandum;

(c) Your overall commitment to investments that are not readily marketable is not disproportionate to your individual net worth, and your investment in the Units will not cause such overall commitment to become excessive;

(d) You have adequate means of providing for your financial requirements, both current and anticipated, and have no need for liquidity in this investment;

(e) You can bear and are willing to accept the economic risk of losing your entire investment in the Units;

(f) You are acquiring the Units for your own account and for investment purposes only and have no present intention, agreement or arrangement for the distribution, transfer, assignment, resale or subdivision of the Units;

(g) You have such knowledge and experience in financial and business matters that you are capable of evaluating the merits and risks of investing in the Units and have the ability to protect your own interests in connection with such investment; and

(h) You are an Accredited Investor as defined under Rule 501(a) of Regulation D under the Securities Act. An "***Accredited Investor***" is:

(i) **If a natural person**, a person that has:

(a) an individual net worth, or joint net worth with his or her spouse, that exceeds $1,000,000, **excluding the value of the primary residence of such natural person**; or

(b) individual income in excess of $200,000, or joint income with his or her spouse in excess of $300,000, in each of the two most recent years and has a reasonable expectation of reaching the same income level in the current year; and

(c) that in either case, a person who has not borrowed against their primary residence within sixty (60) days prior to the execution of their Subscription Agreement.

(d) individual income in excess of $200,000, or joint income with his or her spouse in excess of $300,000, in each of the two most recent years and has reasonable expectation of reaching the same income level in the current year;

(e) that in either case, a person who has not borrowed against their primary residence within sixty (60) days prior to the execution of their Subscription Agreement;

(f) a person who has obtained professional certifications, designations or credentials, including Series 7, Series 65 and Series 82 licenses, and such licenses are active and in good standing; and

(g) as to the above requirements for a natural person, Spousal Equivalents (as defined below) may pool their finances for purposes of qualifying as an accredited investor. "**Spousal Equivalents**" means cohabitants maintaining a relationship equivalent to that of a spouse.

(h) Directors, executive officers and general partners of the issuer.

(i) "**Knowledgeable**" employees of a private fund, as defined under Rule 3c-5(a)(4) of the Investment Company Act of 1940, with total assets in excess of $5,000,000, not formed for the specific purpose of acquiring the securities offered, whose purchase is directed by a sophisticated person as described in §230.506(b)(2)(ii).

(j) Others as contained in Rule 501(a)(9).

(ii) **If not a natural person**, one of the following:

(a) a corporation, a Massachusetts or similar business trust, partnership, limited liability company or organization described in Code Section 501(c)(3), not formed for the specific purpose of acquiring Units, with total assets in excess of $5,000,000;

(b) a trust, with total assets in excess of $5,000,000, not formed for the specific purpose of acquiring Units and whose purchase is directed by a person who has such knowledge and experience in financial and business matters that he or she is capable of evaluating the merits and risks of an investment in a Unit as described in Rule 506(b)(2)(ii);

(c) a limited liability company or partnership with total assets in excess of $5,000,000;

(d) a broker-dealer registered pursuant to Section 15 of the Securities Exchange Act of 1934, as amended or a Registered Investment Advisor registered with the SEC or a State;

(e) Entities that do not qualify under other sections of Rule 501(a) that own "**investments**" (as defined in Rule 2a51-1(b) under the Investment Company Act) in excess of $5,000,000, not formed for the specific purpose of acquiring the securities offered.

(f) a business development company (as defined in Section 2(a)(48) of the Investment Company Act);

(g) a Small Business Investment Company licensed by the U.S. Small Business Administration under Section 301(c) or (d) of the Small Business Investment Act of 1958;

(h) an employee benefit plan within the meaning of the Employee Retirement Income Security Act of 1974 ("***ERISA***"), if the investment decision is made by a plan fiduciary (as defined in Section 3(21) of ERISA), which is either a bank, savings and loan association, insurance company, or registered investment adviser, or if the employee benefit plan has total assets in excess of $5,000,000 or, if a self-directed plan, with investment decisions made solely by persons who are Accredited Investors;

(i) a private business development company (as defined in Section 202(a)(22) of the Investment Advisers Act of 1940, as amended);

(j) a bank as defined in Section 3(a)(2) of the Securities Act, or any savings and loan association or other institution as defined in Section 3(a)(5)(A) of the Securities Act whether acting in its individual or fiduciary capacity, or any insurance company as defined in Section 2(13) of the Securities Act;

(k) an entity in which all of the equity owners are Accredited Investors;

(l) a plan established and maintained by a state, its political subdivisions, or any agency or instrumentality of a state or its political subdivisions, for the benefit of its employees, if such plan has total assets of more than $5,000,000; or

(m)A "**family office**," as defined in Rule 202(a)(11)(G)-1 of the Investment Advisers Act, with (i) assets under management in excess of $5,000,000, (ii) that is not formed for the specific purpose of acquiring the securities offered and (iii) whose prospective investment is directed by a person who has the knowledge and experience capable of evaluating the merits and risks of the prospective investment will now qualify as an accredited investor. Additionally, "**family clients**," as defined in Rule 202(a) (11) (G)-1 of the Investment Advisers Act, of a qualifying family office whose prospective investment is directed by such family office will now qualify as an accredited investor; or

(n) one of the Company's officers.

In addition, the SEC has issued certain no action letters and interpretations in which it deemed certain trusts to be Accredited Investors, such as trusts where the trustee is a bank as defined in Section 3(a)(2) of the Securities Act and revocable grantor trusts established by individuals who meet the requirements of clause (i) or (ii) of this paragraph (h). However, these no-action letters and interpretations are very fact specific and should not be relied upon without close consideration of your unique facts.

For purposes of calculating your Net Worth, "***Net Worth***" means the excess of total assets at fair market value (including personal and real property but excluding the estimated fair market value of a person's primary home) over total liabilities. Total liabilities exclude any mortgage on the primary home in an amount up to the home's estimated fair market value as long as the mortgage was incurred more than 60 days before the securities were purchased, but includes: (i) any mortgage amount in excess of the home's fair market value and (ii) any mortgage amount that was borrowed during the 60 day period before the closing date for the sale of securities for the purpose of investing in the securities. In the case of fiduciary accounts, the net worth and/or income suitability requirements must be satisfied by the beneficiary of the account, or by the fiduciary, if the fiduciary directly or indirectly provides funds for the purchase of the Units.

This Offering shall be undertaken under 506(c) of the Regulation D under the Securities Act of 1933, as amended, which allows the Company to use general solicitations and public advertisements to obtain subscriptions for this Offering. All Investors who subscribe to purchase Units for this Offering must be an Accredited Investor.

In order to enter into a subscription agreement for this Offering, all Investors, who are direct investors with Time Equities Securities LLC and not an Investor who is a client of another broker dealer and/or registered investment advisor, (such Investors are referred to as individually a "***Direct Investor***" or collectively, "***Direct Investors***") shall be required to verify their financial status as an Accredited Investor. For Direct Investors, this may be done by providing the Manager with a letter from an Investor's broker, (which firm must be either a registered broker dealer and/or registered investment advisor), accountant and/or lawyer that indicates to the Company that such Investor qualifies as an Accredited Investor. Alternatively, a Direct Investor may provide a net worth statement. Balance sheet, W-2 and/or tax returns to verify to the Manager that such Investor is an Accredited Investor. It is up to the Direct Investor to decide which of the above methods will be used to verify to the Manager that such Direct Investor is an Accredited Investor. To the extent an Investor is not a Direct Investor, then it is the responsibility of applicable broker dealer and/or registered investment advisor to establish the suitability of their Investor's participation in this

Offering. In such case these Investors, who are not Direct Investors, will not be required to verify to the Manager their status as an Accredited Investor.

In keeping with restrictions imposed by the USA PATRIOT Act and related Acts, neither you nor any subsidiary, affiliate, owner, shareholder, partner, member, indemnitor, guarantor or related person or entity:

(A) is a Sanctioned Person (as defined below);
(B) has more than 15% of its assets in Sanctioned Countries (as defined below); or
(C) derives more than 15% of its operating income from investments in, or transactions with Sanctioned Persons or Sanctioned Countries.

For purposes of the foregoing, a "***Sanctioned Person***" means:

(i) a person named on the list of "**specially designated nationals**" or "**blocked persons**" maintained by the U.S. Office of Foreign Assets Control, or OFAC, at http://www.treasury.gov/resource-center/ sanctions/SDN-List/Pages/default.aspx, or as otherwise published from time to time, or

(ii) an agency of the government of a Sanctioned Country, (b) an organization controlled by a Sanctioned Country, or (c) a person resident in a Sanctioned Country, to the extent subject to a sanctions program administered by OFAC.

A "***Sanctioned Country***" shall mean a country subject to a sanctions program identified on the list maintained by OFAC and available at http://www.treasury.gov/resource-center/ sanctions/Programs/Pages/Programs.aspx, or as otherwise published from time to time.

IF YOU DO NOT MEET THE REQUIREMENTS DESCRIBED ABOVE, IMMEDIATELY RETURN THIS MEMORANDUM TO THE FUND OR THE APPLICABLE SELLING GROUP MEMBER. IN THE EVENT YOU DO NOT MEET SUCH REQUIREMENTS, THIS MEMORANDUM WILL NOT CONSTITUTE AN OFFER TO SELL UNITS TO YOU.

The Company will not accept any charitable remainder trust as an investor in Units.

Discretion of the Manager. The Investor Suitability Requirements stated above represent minimum suitability requirements, as established by the Manager, for investors. Accordingly, the satisfaction of applicable state requirements by an investor will not necessarily mean that the Units are a suitable investment for such investor, or that the Manager will accept the investor as a subscriber. Furthermore, the Manager may modify such requirements in its sole discretion for all or certain investors, and any such modification may raise the suitability requirements for investors.

The written representations made by Investors will be reviewed to determine their suitability. The Manager may, in its sole discretion, refuse a subscription for Units if it believes that an investor does not meet the applicable Investor Suitability Requirements, the Units otherwise constitute an unsuitable investment for the investor, or for any other reason.

Please be advised that in compliance with the regulations of OFAC and the Financial Crimes Enforcement Network ("***FinCEN***"), TES may require prospective investors to provide additional detailed information. This information gathering is a crucial part of our due diligence process and is necessary to ensure adherence to anti-money laundering laws and regulations. As part of this process, investors may be asked to disclose comprehensive details regarding their entity structures, ownership percentages, and other pertinent information that aids in confirming compliance with OFAC standards and FinCEN reporting requirements. This information is vital for the Fund to maintain regulatory compliance and to prevent any unlawful financial activities. The Fund requests the full cooperation of all prospective investors in providing the necessary information promptly. Your responsiveness and transparency in this matter are essential for a smooth and compliant investment process. Please note that failure to provide requested information in a timely manner may result in delays or potential disqualification from investment opportunities within the Fund. The Fund appreciates your understanding and cooperation in adhering to these regulatory requirements, which are designed to protect all stakeholders involved in the investment process.

SUMMARY OF THE OFFERING

The following material is intended to provide selected limited information regarding the Fund and this Offering and should be read in conjunction with, and is qualified in its entirety by, the detailed information appearing elsewhere in this Memorandum.

You are urged to read this entire Memorandum before investing in the Fund. This Memorandum contains forward-looking statements that involve risks and uncertainties. The Fund's actual results may differ significantly from the results discussed in the forward-looking statements. Factors that might cause such differences include, but are not limited to, those discussed under "**Risk Factors**".

Summary Description for Purpose and Operation of Fund:	The purpose of the Fund is to: (i) preserve the Investors' Capital Contributions, (ii) provide the Investors with the Stated Return from cash flow generated by the Primary Loan, and (iii) to have sufficient liquidity to fund redemptions of all or part of an Investor's Capital Contribution. Investors shall have the option to request that their investment be redeemed after the first full calendar quarter of their investment, subject to the overall redemption limitations capping redemptions at 6.25% of the total capital invested in the Fund during any calendar quarter and 25% during any calendar year. In the event of a redemption, Investors shall be entitled to any accrued and unpaid Stated Return. Early redemptions are not permitted during the first full calendar quarter after a Capital Contribution is funded by an Investor. For more information on redemptions, see the section titled "**Redemption Rights Summary**" set forth below.

The Fund will use its net Capital Contribution to make the Primary Loan to the Primary Borrower. The Primary Borrower may then use the proceeds to make Affiliate Loans, as determined by the Primary Borrower Co-Managers. The Affiliates may use Affiliate Loan proceeds for any legal purpose. Such purposes include, but are not limited to: (i) general working capital; (ii) operating costs and expenses; (iii) investments; (iv) acquisitions of real or personal property; (v) funding of capital expenses, capital improvements, and leasing costs (tenant improvements and leasing commissions); and (vi) making loans to other Affiliates and/or Time Equities Associates LLC. It is intended that an Affiliate borrower will utilize its share of net cash flow generated by earnings from operations and/or net sales or financing proceeds received from its Investments to pay the amounts due under the Affiliate Loan to Primary Borrower.

In addition to the Primary Loan, the Fund may use its Capital Contributions to pay offering and marketing expenses for this Offering.

A more detailed description regarding the structure of the Affiliate Loans through which investments will be made is set forth below.

Description of Primary Loan Borrower:

The Primary Borrower (TEI Quarterly Debt Fund Borrower LLC) was formed in Delaware on April 30, 2024, and is a limited liability company under the Delaware Limited Liability Company Act. The Primary Borrower is wholly owned by TEI LLC, the Guarantor of the Primary Loan, and managed by Francis Greenburger and Robert Kantor (the "***Primary Borrower Co-Managers***"). The Primary Borrower serves as a financial intermediary that lends money to Affiliates under the Affiliate Loans.

Terms and Interest Rate for the Primary Loan:

The Primary Loan is payable, in whole or in part, upon thirty (30) days' notice from the Manager to the Primary Borrower. The Primary Loan will be recourse to the Primary Borrower. Affiliate Loans will be recourse to the Affiliate.

The interest income received by the Fund from the payments received in accordance with the Primary Loan shall be interest income taxable to the Investors. Members of an Affiliate borrower shall be entitled to all net profits and losses generated from Investments, including any depreciation.

Guaranty of Primary Loan and Return of Capital and

TEI LLC, a New York limited liability company, shall guarantee (the "***TEI LLC Guaranty***") repayment to the Fund of one hundred

Stated Return by TEI LLC:	percent (100%) of the principal and unpaid interest expense of the Primary Loan. In addition, in the event the Primary Loan payments made to the Fund are not sufficient to permit the Fund to make the quarterly Stated Return distributions and the repayment of 100% of the Capital Contributions made to the Fund, TEI LLC shall guarantee (together, the "***TEI LLC Guaranty***") repayment to the Fund the amount needed by the Fund to make the quarterly Stated Return distributions and the return of one hundred percent (100%) of the Capital Contributions made to the Fund that may be required pursuant to permitted redemption requests or upon the termination of the Fund. As of TEI LLC's most recent Financial Statement dated December 31, 2022, TEI LLC has a net worth in excess of $300,000,000.
Terms and Interest Rate for the Affiliate Loans:	At the discretion of the Primary Borrower, the Primary Borrower shall make Affiliate Loans. The term of each Affiliate Loan made by the Primary Borrower shall be determined at the sole discretion of the Managers of the Primary Borrower. Depending on the characteristics of each Affiliate Loan, the loan conditions may be interest only, fully-amortizing or some combination of both, but will likely consist of interest only payments. The interest rate on an Affiliate Loan is determined by the Managers of the Primary Borrower. The actual interest rate to be charged by the Primary Borrower for any Affiliate Loan may depend on market conditions, including the characteristics of the Affiliate Loan. The terms of Affiliate Loans will be determined by the Primary Borrower Co-Managers, in their sole discretion; provided, however, the Primary Borrower shall attempt, but it is not guaranteed, to provide payment terms that allow, in aggregate, for Quarterly Distributions to the Primary Borrower, who will then disburse to the Fund to make the Stated Returns.
Affiliate Loan-to-Value Limitation:	The Primary Borrower Co-Managers anticipates that the aggregate loan-to-value ratio for each Affiliate Loan will be between 1% and 80% based on the cost basis of an Investment at the time of a financing, or the estimated value of an Investment as determined by the Manager; provided, however, situations may arise where the loan-to-value ratio in the Primary Borrower's sole discretion may exceed 80%. However, the average loan-to-value-ratio of all Affiliate Loans shall not exceed 80%.

TEI LLC Ongoing Financial Covenant: The Company represents and covenants that, measured as of the end of each calendar year, the net worth of TEI LLC (as set forth on its most recent financial statement) shall be no less than 2.0x the amount of the Primary Loan (the "***TEI LLC Financial Covenant***").

Fund Objectives: The principal objectives of the Fund are to: (i) preserve the Investors' Capital Contribution, (ii) provide the Investors with the Stated Return, and (iii) to have sufficient liquidity to fund redemptions of all or part of an Investor's Capital Contribution. The Fund intends to begin making the quarterly distributions of the Stated Return to the Members beginning in the first full quarter after the Fund accepts capital contributions from Investors. **There can be no assurance that any of these objectives will be achieved.**

Securities Offered: The securities being offered hereby are units of Membership Interests in the Fund (the "***Units***"). Such Units are being offered by the Fund at $5,000 per Unit. The minimum purchase is Five (5) Units ($25,000), except that the Manager may permit certain investors to purchase fewer than Five (5) Units, in its sole discretion. See "**Description of Limited Liability Company Units**" and "**Summary of the Operating Agreement**".

Initial and Maximum Offering Amounts: The initial Offering is up to 20,000 Units at a purchase price of $5,000 per Unit for an initial aggregate offering amount of $100,000,000 (the "***Initial Offering Amount***"). Notwithstanding anything to the contrary contained herein, the Manager, in its sole discretion, at any time prior to the Offering Termination Date, may increase the amount of the Offering in any amount up to $200,000,000. Such increase will be effectuated by issuing up to an additional 20,000 Units.

Additionally, provided the TEI LLC Financial Covenant is complied with, as indicated on TEI LLC's then most recent financial statement, the Manager, in its sole discretion, at any time prior to the Offering Termination Date, may increase the amount of the Offering to any amount above $200,000,000, but not to exceed $300,000,000 (the "***Maximum Offering Amount***"). Such an increase will be effectuated by issuing up to a maximum of 60,000 Units.

Plan of Distribution: Time Equities Securities LLC, a New York limited liability company ("***TES***"), and an Affiliate of the Manager, will act as the Managing Broker-Dealer for the Offering. The Managing Broker-Dealer and the Selling Group Members will make offers and sale

of Units on a "**best efforts**" basis. The commissions payable to the Managing Broker Dealer and the Selling Group Members are described in "**Plan of Distribution**" and "**Marketing of Units**".

Offering Termination Date: The Units are being offered at the discretion of the Manager until the date the Initial Offering Amount is fully funded or the Maximum Offering Amount is fully funded, if the Manager decides to increase the amount of the Offering as described hereinabove. Notwithstanding the foregoing, the Manager may terminate this Offering at an earlier date in the sole discretion of the Manager, but in no event earlier than **January 1, 2025** (the **"*Offering Termination Date*")**.

Term of the Fund: The term of the Fund shall end upon the earlier of (i) the redemption of all of Units held by the Investors; or (ii) the payoff of the Primary Loan; or (iii) the Offering Termination Date.

Organization of the Fund: The limited liability company for the Fund was formed in Delaware on April 30, 2024, as a limited liability company under the Delaware Limited Liability Company Act.

Fund Manager: TEI Quarterly Debt Fund Manager LLC**,** a Delaware limited liability company, formed on April 30, 2024, is the Manager of the Fund. Francis Greenburger and Robert Kantor are the managers of the Manager. Francis Greenburger is the founder, sole director, shareholder and Chairman and Chief Executive Officer of TEI and Robert Kantor is the President and Chief Operating Officer of TEI, and acting Chief Compliance Officer of TES. TEI is a diversified real estate management and investment company that was established in 1966. Many of TEI's officers and employees, including Mr. Greenburger and Mr. Kantor, have substantial experience in the acquisition, ownership, development, financing, leasing and management of real property. See "**The Manager**", "**Risk Factors – Risks Relating to the Formation and Internal Operation of the Fund –Experience of Manager**".

Members of the Fund: The Members of the Fund will be the purchasers of the Units offered hereby, including the Manager or its Affiliates. Each Member's liability will be limited to the amount of such Member's Capital Contribution to the Fund (i.e., $5,000 per Unit). Units are transferable only upon the satisfaction of certain requirements.

Stated Return: It is intended that the Stated Return shall be paid in installments on a quarterly basis. Based on the above schedule, the Stated Return, in the above schedule, start at 7% per annum, and, commencing January 1, 2025, and on the first business day of each

calendar quarter thereafter (January 1, April 1, July 1, and October 1 of each calendar year), the Stated Return shall be adjusted to be equal to the Three (3) Month U.S. Treasury Bill (the "***3 Month UST***") plus one hundred fifty (150) basis points ("***Stated Return***"). The 3 Month UST shall be determined as being equal to the "closing price" of record as set forth in the Daily Treasury Statement published by the U.S. Department of the Treasury at 4:00 p.m. Eastern (or the market closing time) on the last business day of each calendar quarter beginning December 29, 2024.

Redemption Rights Summary:

After the first full quarter following the funding of an Investor's subscription payment, Investors, on a first come first served basis, at their option, may redeem all or any part of their Unreturned Capital Contributions, subject to the overall redemption limitations capping redemptions at 6.25% of the total capital invested in the Fund during any calendar quarter and 25% during any calendar year, as further described below. Early redemptions are not permitted during the first full calendar quarter after a Capital Contribution is funded. As part of such redemptions the Investor shall also be paid any accrued and unpaid Stated Return based on the amount redeemed.

The redemption amount paid to Investors reduces the amount of their Capital Contribution and thereafter the quarterly installments for the Stated Return shall be calculated based on such reduced Capital Contribution. Upon any such redemption the Investor shall be paid any accrued and unpaid Stated Return on the amount redeemed through the date of such redemption.

After the expiration of the first full quarter calendar year following the funding of a Capital Contribution to the Fund, Investors may redeem their Unreturned Capital Contributions, subject to a rolling aggregate cap on the amount of redemptions funded in any particular calendar quarter of 6.25% and 25% during each calendar year, in each case, based on the total Unreturned Capital Contributions for all of the Investors during the applicable calendar quarter and/or calendar year and redemptions shall be made in the order of receipt of the redemption requests until the applicable cap is met with future redemptions made on a quarterly basis until all of the redemption requests have been satisfied (subject to the ongoing quarterly and annual cap limitations). The Investor shall be entitled to any accrued and unpaid Stated Return accrued through the date of redemption. The Manager, at its sole option, may establish a fixed date in such calendar quarter and/or calendar year to establish the aggregate Unreturned Capital Contribution that will be used to establish the applicable quarterly

and/or annual redemption Cap or alternatively may utilize the actual amount of the aggregate Unreturned Capital Contributions of all of the Members on a rolling basis as redemption requests are received from the Members. Any requests for redemption which exceeds the redemption Cap shall be given priority when the first applicable opening occurs for any such redemption, in whole or in part, which did not previously occur because of the redemption Cap.

In addition, without any obligation, the Manager and/or designee may allow for a redemption which involves the transfer of Units, in lieu of such redemption if the redemption Cap has been exceeded for any particular calendar quarter or year.

Redemptions may be undertaken either by the Fund or by the Manager (in such case also by an Affiliate and/or third party designated by the Manager). The Manager shall not have any obligation to undertake any such redemption and may do so at its sole discretion. If the Manager elects, in lieu of the Fund, to undertake any such redemption, then the Units and/or Membership Interests shall be purchased by the Manager or its designee (including an Affiliate and/or third party). If the Fund undertakes such redemption, then the Fund's loan receipts and/or reserves could be used to pay for such redemption (including any accrued unpaid Stated Return, in each case based on the amount redeemed).

The Fund shall endeavor to complete any such redemption within forty-five (45) days or less after the Manager receives a redemption request from the Investor on the redemption request form. Once any such redemption is completed then the amount of an Investor's Unreturned Capital Contribution shall be reduced by the amount of such redemption. In the event of partial redemption, the Stated Return, after the occurrence of any such partial redemption, shall be calculated based on such reduced Unreturned Capital Contribution of such Member as of the redemption date.

In the event that there is a condition or projected circumstance that would cause the making of the Quarterly Distributions of the Stated Return materially adverse to the Fund, including a deterioration in general economic conditions, and/or those pertaining to the conditions of the Investments, the occurrence of a force majeure event(s), and/or the onset of a public health concern, (collectively referred to as an "***Economic Disruption***"), as determined by Manager in its sole discretion, the Manager may suspend and/or reduce the Stated Return paid to Members until

such condition or Economic Disruption has subsided to the point where the Manager determines that it may allow resumption of payment of the Stated Return to Investors. During an Economic Disruption, the Stated Return set forth in the schedule above shall continue to accrue, but the cash Quarterly Distributions paid to Members may be reduced. Any catch-up of the accrued and unpaid Stated Return, which ordinarily would have been paid if an Economic Disruption had not occurred, shall be paid when the financial and economic conditions of the Investments allow, as determined in the sole discretion by the Manager.

Investor Suitability Requirements: The Offering of the Units by the Fund is strictly limited to a Person who satisfies the Investor Suitability Requirements. See "**Who May Invest.**"

Payment of Subscription Amount: Cash tendered by Investors to the Fund in payment for Units, upon acceptance of their Subscription Agreements, will be paid to the Fund and deposited into its operating account. There will be no escrow of Subscription payments from third party Investors.

Minimum Purchase: A minimum purchase of Five (5) Units (**$25,000**) will be required, except that the Manager may permit certain investors to purchase fewer Units, in its sole discretion. See "**Plan of Distribution – Capitalization.**"

Annual Financial Statements and Biannual Project Reports: Within 120 days after the end of each year, the Fund will make available to the Members an annual report containing a compiled financial statement for the Fund as its tax basis for reporting. See "**Summary of the Operating Agreement**" and the Operating Agreement attached to the Memorandum as Exhibit A.

Conflicts of Interest: The principals of the Manager may act, and are acting, as the sponsor of offerings of other real estate funds and as a manager of these funds, will have conflicts of interest in allocating management time, services and functions between these various enterprises, including the Fund. There may be conflicts of interests between the responsibilities of the Manager of the Fund and the manager of an Affiliate borrower since the managers for both may be the same.

Additionally, the Manager will receive fees and other compensation from the offering and sale of the Units. As a result, conflicts of interest between or among the Fund and the Manager may occur from time to time.

Cohan, Rubenstein, Sappol & Sturman PLLC, a New York

professional service limited liability company ("***Cohan Rubenstein***") will be paid legal fees for the syndication of the offering, including the preparation of this Memorandum, subscription and operating agreements and the preparation and submission of the SEC and state filings in the estimated amount of **$97,000.00**. The attorneys that are part of the legal department of TEI are also affiliated with Cohan Rubenstein.

See "**Conflicts of Interest**".

Risk Factors:	An investment in the Units involves substantial risks. See "**Risk Factors**".
Organization Chart for The Fund:	See attached organization chart for the Fund and the Loan structure in **Exhibit C**, to be utilized to make the Investments.

RISK FACTORS

The purchase of Units is speculative and involves substantial risk. It is impossible to predict accurately the results to an Investor of an investment in the Fund because of the recent formation of the Fund and general uncertainties in the real estate and financing markets.

This Memorandum contains forward-looking statements that involve risks and uncertainties. These statements are only predictions and are not guarantees. Actual events and results of operations could differ materially from those expressed or implied in the forward-looking statements. Forward-looking statements are typically identified by the use of terms such as "may", "will", "should", "expect", "could", "intend", "anticipate", "plan", "estimate", "believe", "potential", or the negative of such terms or other comparable terminology. The forward-looking statements included herein are based upon the Manager's current expectations, plans, estimates, assumptions and beliefs that involve numerous risks and uncertainties. Although the Manager believes that the expectations reflected in such forward-looking statements are based on reasonable assumptions, the Fund's actual results may differ significantly from the results discussed in the forward-looking statements. Factors that might cause such differences include, but are not limited to, the risk factors discussed below. Any assumptions underlying forward-looking statements could be inaccurate. Purchasers of Units are cautioned not to place undue reliance on any forward-looking statements contained herein. The risk factors, for the most part describe an Affiliate borrower as the owner of an Investment, when more likely it will own a partial interest in an Investment. Such risks nevertheless applies as to Affiliate borrower's partial ownership interest in any such Investment for which it makes an investment from loan proceeds advanced by the Primary Borrower.

In accordance with Regulation D, Rule 506(c) of the Securities Act, this document serves to provide a thorough disclosure of potential risks to ensure informed decision-making by Accredited Investors. Prospective Investors are strongly advised to conduct a careful review of these risks in their entirety and to consult with independent legal, financial, and tax advisors to fully comprehend the potential impacts of these risk factors on their investment in TEI Quarterly Debt Fund LLC. You are urged to read this entire Memorandum and the Project Supplements before investing in the Fund.

This memorandum does not constitute an offer to sell or a solicitation of an offer to buy any security. Such offers can only be made where lawful under, and in compliance with, applicable law.

No assurance can be given that the investment objectives of the Fund will be achieved or that investors will receive a return on their capital. As with all investments, investment in the Fund involves the risk of loss of capital.

THE "RISK FACTORS" DELINEATED BELOW ARE A SERIES OF RISKS PRIMARILY ASSOCIATED WITH THE REAL ESTATE INVESTMENTS AT THE INVESTMENT AND AFFILIATE BORROWER LEVEL IN THE CONTEXT OF THE TEI QUARTERLY DEBT FUND LLC. HOWEVER, IT IS CRITICAL FOR INVESTORS

TO RECOGNIZE THAT THESE RISKS, WHILE DESCRIBED IN THE CONTEXT OF SPECIFIC INVESTMENT SCENARIOS, HAVE FAR-REACHING IMPLICATIONS THAT CAN EXTEND TO THE OVERALL OPERATIONAL AND FINANCIAL FRAMEWORK OF THE FUND. THE POTENTIAL CHALLENGES AND UNCERTAINTIES FACED BY INVESTMENTS OR AFFILIATE BORROWERS DUE TO THESE RISKS CAN DIRECTLY INFLUENCE THEIR ABILITY TO EFFECTIVELY MANAGE AND REPAY AFFILIATE LOANS. THIS, IN TURN, BEARS SIGNIFICANCE FOR THE FUND'S BROADER FINANCIAL COMMITMENTS, INCLUDING BUT NOT LIMITED TO THE SERVICING OF THE PRIMARY LOAN TO THE PRIMARY BORROWER. THE INTERCONNECTED NATURE OF THESE INVESTMENT COMPONENTS IMPLIES THAT DISRUPTIONS OR ADVERSITIES IN ONE AREA CAN PRECIPITATE A CHAIN OF FINANCIAL AND OPERATIONAL CHALLENGES THROUGHOUT THE FUND.

Risks Relating to the Formation and Internal Operation of the Fund

New Venture. The Fund and the Manager are both newly formed business entities with no history of operations and limited assets. The Fund is subject to the risks involved with any speculative new venture. No assurance can be given that the Fund will be profitable.

The Manager is owned and managed by Francis Greenburger and Robert Kantor who are the chief executives of Time Equities Inc., a diversified real estate management and investment company which was established in 1966. Francis Greenburger is the founder, sole director, shareholder and Chairman and Chief Executive Officer of TEI and Robert Kantor is the President and Chief Operating Officer of TEI, and acting Chief Compliance Officer of TES. Both of them, along with many other employees of TEI, have substantial experience in the acquisition, financing, ownership, leasing, development and management of real estate.

Limited Resources of the Manager. The Manager has no financial obligations to the Fund as the Manager. The Manager has no obligation to advance, invest or loan money to the Fund.

There is no Guarantee TEI LLC will have the Resources that are Needed to Fund its TEI LLC Guaranty Obligations. Although TEI LLC's net worth is estimated to be over $300,000,000, there is no guarantee that its net worth will not decline nor is there any guarantee that TEI LLC's liquid assets will be sufficient to pay its obligations owed to the Fund pursuant to the terms of the TEI LLC Guaranty. In the event TEI LLC is not able to meet its obligations owed to the Fund, an Investor in the Fund could be adversely affected.

Potential Adverse Effects of Delays in Investments. Delays which may take place in the selection and acquisition of the Investments to be acquired by an Affiliate borrower could adversely affect the return to an Investor as a result of corresponding delays in the payment to the Primary Borrower and therefor reduce any payment by the Primary Borrower to the Fund.

Loss of Uninsured Bank Deposits. The Fund's cash, including Subscription Payments held in the Depository Account, will likely be held in bank depository accounts. While the FDIC insures deposits up to $250,000 per depositor per insured institution in most cases, the Fund may

have deposits at financial institutions in excess of the FDIC limits. The failure of any financial institution in which the Fund has funds on deposit in excess of the applicable FDIC limits may result in the Fund's loss of such excess amounts, which would adversely impact the Fund's performance.

Reliance on Management. All decisions regarding management of the Fund's affairs will be made exclusively by the Manager and not by the Members. Accordingly, Investors should not purchase Units unless they are willing to entrust all aspects of management to the Manager or its successor(s), including, but not limited to, the selection of the Investments. Potential investors must carefully evaluate the personal experience and business performance of the principals of the Manager. See "**TEI Business Plan.**"

Limited Approval Rights Regarding Operation of the Investments. Members will have no approval rights regarding the operation of the Investments. All decisions regarding the Investments will be made by the co-managers of the Affiliate borrower without input from the Members.

Conflicts of Interest. The principals of the Manager, the Primary Borrower, and its Affiliates have overlapping roles across these entities, which are managed independently from the Fund. As such, these individuals may face conflicts regarding the allocation of their time and resources. These conflicts may influence their decisions in ways that could favor one entity over another to the detriment of the Fund and its Investors. Although the Manager, the Primary Borrower, and its Affiliates operate in various business arenas including other real estate ventures, this overlapping of managerial roles increases the potential for conflicts of interest. It is the responsibility of the Manager to manage these conflicts in good faith and to operate in the best interest of the Fund. The Manager asserts that its current structure, inclusive of its staff, consultants, and independent contractors, is designed to adequately address these responsibilities. Additional information regarding the management of such conflicts is available under "Con

Receipt of Compensation Regardless of Profitability. The Manager and its Affiliates are entitled to receive certain significant fees and other compensation, payments and reimbursements regardless of whether the Fund and/or an Affiliate borrower operates at a profit or a loss. In addition, the amount of compensation paid to the Manager and their Affiliates will vary for each property. See "**Compensation to the Manager and its Affiliates.**"

Loss on Dissolution and Termination. In the event of a dissolution or termination of the Fund, the proceeds realized from the liquidation of the assets of the Fund will be distributed among the Members, but only after payment of all loans and other obligations of the Fund. The ability of a Member to recover all or any portion of such Member's investment in the Fund under such circumstances will, accordingly, depend on the amount of net proceeds realized from such liquidation and the amount of claims to be satisfied therefrom. There can be no assurance that the Fund will use the return of its Capital Contribution on such liquidation.

Liability of Members. In general, Members of the Fund may be liable for the return of a distribution to the extent that the Member knew at the time of the distribution that after such distribution, the remaining assets of the Fund would be insufficient to pay the then outstanding liabilities of the Fund (exclusive of liabilities to Members on account of their limited liability

company interests and liabilities for which the recourse of creditors is limited to specified property of the limited liability company). Otherwise, Members are generally not liable for the debts and obligations of the Company beyond the amount of the capital contributions they have made or are required to make under the Operating Agreement.

Limitation of Liability/Indemnification of the Manager. The Manager and its attorneys, agents and employees may not be liable to the Fund or Members for errors of judgment or other acts or omissions not constituting fraud, gross negligence or willful misconduct as a result of certain indemnification provisions in the Operating Agreement. See "**Summary of the Operating Agreement.**"

Members will be Bound by Decision of Majority Vote. Subject to certain limitations, Members holding a majority of Units may vote to, among other things, amend the Operating Agreement. Members who do not vote with the majority in interest of the Members nonetheless will be bound by the majority vote.

Right of First Refusal. Robert Kantor, Francis Greenburger, and its Affiliates have a right of first refusal to acquire the Units of any Member that desires to sell their Units. Thus, it may be difficult for a Member to sell their Units.

Risks Relating to Private Offering and Lack of Liquidity

Limited Transferability of Units. Each Investor who becomes a Member will be required to represent that such Investor is acquiring the Units for investment and not with a view to distribution or resale, that such investor understands the Units are not freely transferable and, in any event, that such investor must bear the economic risk of investment in the Fund for an indefinite period of time because the Units have not been registered under the Securities Act or certain applicable state securities laws, and that the Units cannot be sold unless they are subsequently registered or an exemption from such registration is available and unless such investor complies with the other applicable provisions of the Operating Agreement. Except as to redemptions, as provided in this Memorandum, there will be no market for the Units and a Member cannot expect to be able to liquidate his or her investment in case of an emergency. Further, the sale of Units may have adverse federal income tax consequences. The transfer of a Member's Units requires the prior written consent of the Manager. Further, no transfer will be allowed unless the Manager determines that the transfer will not cause the Fund to be "**publicly traded.**" There are no specified circumstances relating to the granting or withholding of the required prior written consent of the Manager, although the Manager will observe the standards of a fiduciary to the Members as a group in determining whether to grant or withhold its consent as to any particular request for a transfer. Additionally, Robert Kantor, Francis Greenburger, and its Affiliates have a right to acquire the Units of any Member that desires to sell their Units. Thus, it may be difficult for a Member to sell their Units.

Speculative Investment. The Fund's business objectives must be considered highly speculative, and there is no assurance that the Fund will satisfy those objectives. No assurance can be given that the Members will realize a substantial return, if any, on their purchase of Units or that the Members will not lose their entire investment in the Fund. For this reason, prospective purchasers should read this Memorandum and all Exhibits to this Memorandum carefully and

should consult with their attorneys or business advisors.

Determination of Unit Price. The purchase price of the Units has been determined primarily by the capital needs of the Fund and bears no relationship to any established criteria of value such as book value or earnings per Unit, or any combination thereof. Further, the price of the Units is not based on past earnings of the Fund, nor does that price necessarily reflect current market value for the Investments that may be acquired by an Affiliate. No valuation or appraisal of the Fund's potential business has been prepared.

Offering Not Registered With the SEC or State Securities Authorities. The Offering will not be registered with the SEC under the Securities Act or the securities agency of any state, and is being offered in reliance upon an exemption from the registration provisions of the Securities Act and state securities laws applicable only to offers and sales to investors meeting the suitability requirements set forth herein.

Private Offering – Lack of Agency Review. Because this Offering is a nonpublic offering and, as such, is not registered under federal or state securities laws, investors will not have the benefit of a review of the Offering or this Memorandum by the SEC or any state securities commission. The terms and conditions of the Offering may not comply with the guidelines and regulations established for real estate programs that are required to be registered and qualified with the SEC or any state securities commission.

Private Offering Exemption – Compliance with Requirements. The Units are being offered to, and will be sold to, investors in reliance upon a private offering exemption from registration provided in the Securities Act. If the Fund should fail to comply with the requirements of such exemption, the Members would have the right to rescind their purchase of their Units if they so desired. It is possible that one or more Members seeking rescission would succeed. This might also occur under applicable state securities or "**blue sky**" laws and regulations in states where the Units will be offered without registration or qualification pursuant to a private offering or other exemption. If a number of Members were successful in seeking rescission, the Fund and the Manager would face severe financial demands that would adversely affect the Fund as a whole and, thus, the investment in the Units by the remaining Members.

Projected Aggregate Cash Flow. Any forward-looking statements or Stated Return included in this Memorandum and all other materials or documents supplied by the Manager should be considered speculative and are qualified in their entirety by the assumptions, information and risks disclosed in this Memorandum. The assumptions and facts upon which such projections are based are subject to variations that may arise as future events actually occur. The anticipated cash flows and returns described herein are based upon assumptions made by the Manager regarding future events. There is no assurance that actual events will correspond with these assumptions. This Memorandum contains forward-looking statements that involve risks and uncertainties. The Fund's actual results may differ significantly from the results anticipated or discussed in the forward-looking statements. Prospective investors are advised to consult with their tax, financial and business advisors concerning the validity and reasonableness of the factual, accounting and tax assumptions. Neither the Manager nor any other person or entity makes any representation or warranty as to the future profitability of the Fund or an investment in the Units.

Private Offering Exemption – Limited Information. Because the Offering of the Units is a nonpublic offering, certain information that would be required if the Offering were not so limited has not been included in this Memorandum, including, but not limited to, financial statements and prior performance tables. Thus, investors will not have this information available to review when deciding whether to invest in Units.

Purchase of Units by the Manager or its Affiliates. The Manager and/or its Affiliates may subscribe for any number of Units for any reason deemed appropriate by the Manager.

The Manager and/or its Affiliates will not acquire any Units with a view to resell or distribute such Units. Any purchase of Units by the Manager and/or its Affiliates will be on the same terms and conditions as are available to all investors. See "**Plan of Distribution.**"

The purchase of Units by the Manager and/or its Affiliates could create certain risks, including, but not limited to, the following: (i) the Manager and/or its Affiliates would obtain voting power as Members, (ii) the Manager and/or its Affiliates may have an interest in disposing of Fund assets at an earlier date than the other Members so as to recover its investment in the Units made by it or its Affiliates and (iii) substantial purchases of Units may limit the Manager's ability to fulfill any financial obligations that it may have to or on behalf of the Fund.

Regardless of the total percentage of Units owned by the Manager and its Affiliates, the Manager and its Affiliates will only have the right to vote 20% of the total Units issued by the Fund. The Manager and/or its Affiliates will vote any excess Units over the 20% threshold in conformance with the majority vote of the non-affiliated Members.

Estimates, Opinions and Assumptions. No representation or warranty can be given that the estimates, opinions or assumptions made herein will prove to be accurate. Any such estimates, opinions or assumptions should be considered speculative and are qualified in their entirety by the information and risks disclosed in this Memorandum. The assumptions and facts upon which any estimates or opinions herein are based are subject to variations that may arise as future events actually occur. There is no assurance that actual events will correspond with the assumptions. Potential investors are advised to consult with their tax and business advisors concerning the validity and reasonableness of the factual, accounting and tax assumptions. Neither the Manager nor any other person or entity makes any representation or warranty as to the future profitability of the Fund.

No Representation of Members. Under the Operating Agreement, each of the Members acknowledges and agrees that legal counsel representing the Fund, the Manager and its Affiliates does not represent and will not be deemed under the applicable codes of professional responsibility to have represented or to be representing any or all of the Members in any respect.

Investment by Tax-Exempt Purchasers. In considering an investment in Units of a portion of the assets of a trust of a pension or profit-sharing plan qualified under Code Section 401(a) and exempt from tax under Code Section 501(a), a fiduciary should consider: (i) that the plan, although generally exempt from federal income taxation, would be subject to income taxation were its income from an investment in the Fund and other unrelated business taxable income to exceed $1,000 in any taxable year (if the Fund generates income, a portion of

such income will be unrelated business taxable income), (ii) whether an investment in the Fund is advisable given the definition of plan assets under ERISA and the status of Department of Labor regulations regarding the definition of plan assets, (iii) whether the investment is in accordance with plan documents and satisfies the diversification requirements of Section 404(a) of ERISA, (iv) whether the investment is prudent under Section 404(a) of ERISA, considering the nature of an investment in, and the compensation structure of, the Fund and the potential lack of liquidity of the Units, (v) that the Fund has no history of operations and (vi) whether the Fund or any Affiliate is a fiduciary or party in interest to the plan. See "**Investment by Qualified Plans and IRAs.**"

Subsequent Investors May be Able to Review Fund's Investments. Investors who invest in the later stages of the Offering will have a greater opportunity to review information regarding an Affiliate borrower's and the Investments for which Affiliate Loans have been made that will not be available to early investors. Early investors will not have an opportunity to review any Investments for which Affiliate Loans will be made been. In this regard, later investors may have an advantage in initially deciding whether to invest in the Fund.

Exemption from Investment Company Act of 1940. The Manager may accept 100 or more Unit holders. The Investment Company Act requires that any issuer that is beneficially owned by 100 or more persons and that owns certain securities be registered as required under the Investment Company Act. The Manager believes that, because an Affiliate borrower will be purchasing any Investments directly or through wholly-owned subsidiaries, the ownership of the Investments will not be deemed to be securities for purposes of the Investment Company Act. If the Fund accepts more than 100 Unit holders and the Fund fails to qualify under one of the other exemptions or exclusions from the Investment Company Act, the Fund will have to register under the Investment Company Act. In the event the Fund is required to register under the Investment Company Act, the returns to the Members could be significantly reduced.

Affiliated Managing Broker-Dealer. TES, the Managing Broker-Dealer, is an Affiliate of the Manager. Broker-Dealers are required to complete an independent investigation regarding any offering for which they act as managing broker-dealer. However, because TES is an Affiliate of the Manager, the independence of TES investigation of the Offering will be less than if the managing broker-dealer were not affiliated with the Manager.

Compensation of Selling Group Members. Selling Group Members are compensated based on the number of Units they sell. As a result, Selling Group Members have an incentive to sell a significant amount of Units to one or more investors.

Lack of Firm Commitment Underwriting. The Fund is offering the Units on an "**best-efforts**" basis through TES and Selling Group Members. Due to the fact that this is not a firm commitment offering, there is no guaranty as to the amount of subscriptions that will be received for this Offering.

Risk of Falling Below Financial Covenant Requirements. The Fund has covenanted that, measured as of the end of each calendar year, the net worth of TEI LLC (as set forth on its most recent financial statement) shall be no less than 2.0x the amount of the Primary Loan. There is a risk that TEI LLC's net worth may fall below this threshold. If TEI LLC's net worth falls below the required 2.0x of the Primary Loan, the Fund may face significant financial instability.

This could impact the Fund's ability to preserve Investor Capital Contributions, provide the Stated Return, and maintain sufficient liquidity to fund redemptions. Furthermore, failure to meet this financial covenant could potentially trigger adverse actions from creditors or result in default, which may adversely affect the Fund's operations and financial performance. Investors should be aware that such financial difficulties could lead to reduced returns, delays in redemption requests, and potential loss of investment. The Manager's ability to mitigate this risk is limited, and there can be no assurance that TEI LLC will maintain the required net worth throughout the life of the investment.

Tax Risks

General Tax Risks. There are substantial risks associated with the federal income tax aspects of an investment in the Fund. In addition to continuing Internal Revenue Service (the "**IRS**") reexamination of the tax treatment of partnerships, the income tax consequences of an investment in the Fund are complex, and recent tax legislation has made substantial revisions to the Code. Many of these changes, including changes in the taxation of limited liability companies and their members, affect the tax benefits generally associated with an investment in a limited liability Fund. The following paragraphs summarize some of the tax risks to the Members. A further discussion of the tax aspects (including other tax risks) of an investment in the Fund is set forth in "**Federal Income Tax Consequences.**" Because the tax aspects of this Offering are complex, and certain of the tax consequences may differ depending on individual tax circumstances, each investor is urged to consult with and rely on his or her own tax advisor concerning this Offering's tax aspects and his or her individual situation. **No representation or warranty of any kind is made with respect to the IRS's acceptance of the treatment of any item by the Fund or by an investor.**

Risk of Audit. The Fund's federal information returns may be audited by the IRS. An audit may result in the challenge and disallowance of some of the deductions described in the returns. No assurance or warranty of any kind can be made with respect to the deductibility of any such items in the event of either an audit or any litigation resulting from an audit.

Tax Classification of the Limited Liability Company. The Manager will elect that the Fund be taxed as a partnership for federal income tax purposes. If the Fund were to be treated for tax purposes as a corporation, the tax benefits associated with an investment in a limited liability Fund, if any, would not be available. The Fund would, among other things, pay income tax on its earnings in the same manner and at the same rate as a corporation, and losses, if any, would not be deductible by the Members. See "**Federal Income Tax Consequences – Tax Consequences Regarding the Limited Liability Company – Status as a Partnership.**"

Possible Disallowance of Various Deductions. The availability, timing and amount of deductions or allocations of income of the Fund will depend not only upon general legal principles but also upon various determinations that are subject to potential controversy on factual and other grounds. Such determinations could include, among other things, whether fees paid to the Manager or its Affiliates are non-deductible on the ground that such payments are excessive or constitute nondeductible distributions to the Manager or an Affiliate. If the IRS were successful, in whole or in part, in challenging the Fund on these issues, the federal income tax benefits of an investment in the Fund, if any, might be materially reduced. See "**Federal Income Tax**

Consequences."

Limitations on Losses and Credits from Passive Activities. Deductions in excess of income, i.e., losses from passive trade or business activities, generally may not be used to offset "**portfolio income,**" i.e., interest (other than interest received by a taxpayer engaged in the trade or business of lending money), dividends and royalties, or salary or other active business income. Deductions from passive activities may generally be used to offset income from passive activities. Interest deductions attributable to passive activities are treated as passive activity deductions, and not as investment interest. Thus, such interest deductions are subject to limitation under the passive activity loss rule and not under the investment interest limitation. Credits from passive activities generally are limited to the tax attributable to the income from passive activities. Passive activities include trade or business activities in which the taxpayer does not materially participate, which would include holding an interest as a Member. Thus, the Fund's Net Income and Net Loss will constitute income and loss from passive activities. See "**Federal Income Tax Consequences.**"

Allocations of Net Income and Net Loss. In order for the allocations of income, gains, deductions, losses and credits under the Operating Agreement to be recognized for tax purposes, such allocations must possess substantial economic effect. No assurance can be given that the IRS will not claim that such allocations lack substantial economic effect. If any such challenge to the allocation of losses to any Member were upheld, the tax treatment of the investment for such Member could be adversely affected. See "**Federal Income Tax Consequences – Tax Consequences Regarding the Fund – Allocations of Net Income and Net Loss.**"

Successive Owners of Units. As between successive owners of Units, Net Income and Net Loss will be allocated (for income tax and other purposes) as provided in the Operating Agreement, to the extent permitted under the Code, regardless of the dates upon which cash distributions are made to the Members or the amount of any such cash distributions. The purchaser or seller of Units may, accordingly, be required to report a share of the Fund's Net Income on such person's personal income tax return, even though such person receives no cash distribution during the period in which the Units were held or, if such person has received any cash distributions, even though the amounts of such distributions bear no relation to the amount of Net Income that such person is so required to report. See "**Federal Income Tax Consequences – Tax Consequences Regarding the Fund – Allocations of Net Income and Net Loss.**"

Taxable Income in Excess of Cash Receipts. It is possible that a Member's taxable income resulting from his or her interest in the Fund will exceed the cash Distributions received from the Fund. Thus, there may be years in which a Member's tax liability exceeds his or her share of cash distributions from the Fund. The same tax consequences may result from a Member's sale or transfer of the Member's Units, whether voluntary or involuntary, and may produce ordinary income or capital gain or Investors loss. See "**Federal Income Tax Consequences.**"

Potential Limitation of Net Loss. Investors should be aware that the Members will only be able to utilize Net Tax Loss up to the amount of their tax basis in their Units.

Alternative Minimum Tax. The alternative minimum tax applies to designated items of tax preference. The limitations on the deduction of passive losses also apply for purposes of

computing alternative minimum taxable income. See "**Federal Income Tax Consequences.**"

Accuracy Related Penalties and Interest. If an income tax audit disallows Fund deductions, Members should be aware that the IRS could assess significant penalties and interest on tax deficiencies. The Code provides for penalties relating to the accuracy of tax returns equal to 20% of the portion of the underpayment to which the penalty applies. The penalty applies to any portion of any understatement that is attributable to: (i) negligence or disregard of rules or regulations, (ii) any substantial understatement of income tax or (iii) any substantial valuation misstatement. The IRS has recently added a new penalty related to understatements resulting from a listed or reportable transaction. A reportable transaction is a transaction that the IRS has identified as having the potential for tax avoidance or evasion. A listed transaction is a reportable transaction which the IRS has specifically identified as a tax avoidance transaction. The penalty is equal to 20% of the portion of the understatement to which the penalty applies if the taxpayer disclosed the transaction and 30% of the portion of the underpayment to which the penalty applies if the taxpayer did not disclose the transaction. In addition, in the event the sale of the Units are determined to be a reportable transaction, and the taxpayer fails to include information regarding such reportable transaction, the taxpayer will be subject to a penalty in the amount of $10,000 if the taxpayer is an individual and $50,000 in any other case. In the event the sale of the Units are determined to be a listed transaction, the penalty increases to $100,000 in the case of an individual and $200,000 in any other case. See "**Federal Income Tax Consequences – Accuracy-Related Penalties and Interest.**"

State Income Taxes. Based on the loan structure utilized by the Fund for the investment in the Investments, it is anticipated but no guaranteed, that the Members of the Fund will not have to pay state income taxes in jurisdictions where an Affiliate borrower owns a beneficial ownership interest in an Investment. It is also anticipated, but not guaranteed, that Members of the Fund will not be subject to the payment of any withholding taxes for payment of state income taxes in jurisdictions where the Investments will be located. Investors are urged to discuss with their tax advisors the potential for payment of state income taxes and/or withholding taxes in the jurisdictions where the Investments will be located. Neither the Manager, nor the Fund, shall have any liability to any Investors to the extent they actually have to pay state income and/or withholding taxes in the jurisdictions where the Investments will be located.

Changes in Federal Income Tax Law. Congress has recently enacted several major tax bills that substantially affect the tax treatment of real estate investments. These changes will have a substantial effect on the type of activities in which the Fund intends to engage, and certain of those effects are set forth under the appropriate subheadings within this discussion of tax risks. In many instances, Congressional Committee reports have been relied upon for the interpretation and application of these new statutory provisions to the Fund. While the Code authorizes the Treasury Department to issue extensive substantive regulations regarding recently adopted Code provisions, few have been issued to date. In addition, Congress could make substantial changes in the future to the income tax consequences with respect to an investment in the Fund. Congress is currently analyzing and reviewing numerous proposals regarding changes to the Federal income tax laws. The extent and effect of such changes, if any, is uncertain.

The discussion of tax aspects contained in this Memorandum is based on law presently in effect and certain proposed Treasury Regulations. Nonetheless, investors should be aware that

new administrative, legislative or judicial action could significantly change the tax aspects of the Fund. Any such change may or may not be retroactive with respect to the transactions entered into or contemplated before the effective date of such change and could have a material adverse effect on an investment in the Units.

Investment Risks – Real Property

Investments in real estate-related assets can be speculative. Investments in real estate-related assets can involve speculative risks and always involve substantial risks. No assurance can be given that the manager of the Affiliate borrower will be able to execute the investment strategy or that the Investors of the Fund will realize their investment objectives. For this reason, each prospective subscriber for the Units should carefully read this Memorandum and all exhibits to this Memorandum. **All such persons or entities should consult with their attorney or business advisor prior to making an investment in the Fund.**

General Risks of Investment in property. The economic success of an investment in the Fund will depend upon the results of the operations of the Affiliate borrowers' Investments, which will be subject to those risks typically associated with investment in real estate. Fluctuations in occupancy rates, rent schedules and operating expenses can adversely affect operating results or render the sale or refinancing of the Investments difficult or unattractive, which could impair the payback of the Affiliate Loans. No assurance can be given that certain assumptions as to the future levels of occupancy of any real property Investments or future costs of operating the Investments will be accurate because such matters will depend on events and factors beyond the control of the Affiliate borrowers' manager. Such factors include, among others, the continued enforceability of tenant leases, vacancy rates for rental real property, financial resources of the tenants, rent levels and sales levels in the local areas of the Investments, adverse changes in local population trends, market conditions, neighborhood values, local economic and social conditions, supply and demand for property such as the Investments, competition from similar projects, interest rates, real estate tax rates, governmental rules, regulations and fiscal policies, including the effects of inflation and enactment of unfavorable real estate, rent control, environmental or zoning laws, hazardous material laws, uninsured losses and other risks. Further, to the extent leases at any real property Investments provide for rents based on a percentage of tenants' gross receipts, the rental income of the real properties will be dependent, in part, on the level of retail sales achieved by the tenants. All of the foregoing could negatively impact the likelihood or ability of an Affiliate borrower to pay back an Affiliate Loan.

Unspecified Investments. As of the commencement of this Offering, the Primary Borrower has not yet identified any Affiliate Loans. Thus, Investors will not have an opportunity to evaluate for themselves information about any of the Investments, such as operating history, terms of financing and other relevant economic and financial information. Although the Manager has established investment criteria, the Manager has broad authority and discretion in making decisions. Consequently, Investors must exclusively rely on the Manager of the Primary Borrower to make decisions of the Affiliate Loans. No assurance can be given that Primary Borrower will fund such Affiliate Loans or that the Fund will be achieved.

Uncertainty as to Extent of Diversification. The total amount actually raised in the Offering and the number of Investments for which the Fund will invest is uncertain. It is possible

that the Primary Borrower will only make Affiliate Loans for Investment invest in several Investments, limiting the diversification of the investments and increasing the risk of loss to Investors. A limited number of Investments may place a substantial portion of the funds invested in the same geographical location with the same property-related risks by the Affiliate borrowers. In that case, the decline in a particular real estate market could substantially and adversely impact the ability of the Affiliate borrower to pay the Primary Borrower. In the event of an economic recession affecting the economies of the states where the Investments are located, or the occurrence of any one of many other adverse circumstances, the performance of the Fund may be adversely affected. A more diversified investment portfolio would not be impacted to the same extent upon such an occurrence.

Illiquidity of Real Estate Investments. The Affiliate Loans and the ownership of the Investments by an Affiliate borrower will be relatively illiquid. This may in turn affect the ability of the Fund to make the Stated Return, if any, to Members.

Additional Working Capital Requirements. To the extent such funds are not available from operations, the Investments owned, in whole or in part, by an Affiliate borrower may require additional loans for capital improvements and tenant improvements. An Affiliate borrower has not received a commitment from any third party to make such future loans, if needed, and there can be no assurance that such loans can be arranged or what the terms of any such borrowings would be. In addition, it is anticipated that the loans obtained to acquire additional Investments may restrict the ability of an Affiliate borrower to obtain secondary financing.

Earthquakes, Hurricanes and Floods. The Investments may be located in areas in the United States that have increased risk of earthquakes, hurricanes or high winds and floods. An earthquake, hurricane or flood could cause structural damage to or destroy an Investment. The Fund does not intend to obtain earthquake, wind or flood insurance for the Investments unless required by a lender. It is possible that any such insurance, even if obtained, will not be sufficient to pay for damage to any property.

Uninsured Losses. Affiliate borrower will try to maintain adequate insurance coverage against liability for personal injury and property damage, although it does not intend to obtain earthquake or flood insurance unless otherwise required by a lender. However, there can be no assurance that insurance will be sufficient to cover any such liabilities. Furthermore, insurance against certain risks, such as earthquakes, floods and/or terrorism, may be unavailable or available at commercially unreasonable rates or in amounts that are less than the full market value or replacement cost of an Investment. In addition, there can be no assurance that particular risks that are currently insurable will continue to be insurable on an economic basis or that current levels of coverage will continue to be available. If a loss occurs that is partially or completely uninsured, the Fund may lose all or part of its investment. An Affiliate borrower may be liable for any uninsured or underinsured personal injury, death or property damage claims.

Regulatory Matters. Future changes in land use and environmental laws and regulations, whether federal, state or local, may impose new restrictions on the development or use, and therefore the value, of real estate. The resale of real estate may be adversely affected by such regulations which, in turn, could adversely affect the long term success of an Affiliate borrower and the Fund and its ability to make Stated Return, if any, to Members.

Uncertain Economic Conditions. Weakness in local economies and/or the national or international economies, including any credit market weakness and/or volatility, could materially and adversely impact the Investments. In addition, softness in a regional or state economy could materially and adversely impact the actual or projected rental rates and operations of real properties acquired by Affiliate borrower in such area and therefore, the ability to sell such real properties on favorable terms. The Fund is unable to predict the likely impact of current economic conditions on the real estate industry. As a result, there can be no assurance that the real properties will achieve anticipated cash flow levels. Further, recent world events evolving out of increased terrorist activities and the political and military responses of the targeted countries have created an air of uncertainty concerning the security and stability of world and United States economies. Historically, successful terrorist attacks have resulted in decreased travel and tourism to the affected areas, increased security measures and disturbances in financial markets. It is impossible to determine the likelihood of any future terrorist attacks on United States targets, the nature of any United States response to such attacks or the social and economic results of such events. However, any negative change in the general economic conditions in the United States could adversely affect the financial condition and operating results of the Investments and, thus, the Fund.

Lack of Representations and Warranties. An Affiliate borrower may acquire the Investments from sellers who make only limited or no representations and warranties regarding the condition of such property, the status of leases, the presence of hazardous materials or hazardous substances within such property, the status of governmental approvals and entitlements for such property or other matters adversely affecting such property are discovered, an Affiliate borrower may not be able to pursue a claim for damages against such sellers except in limited circumstances. The extent of damages that the Fund may incur as a result of such matters cannot be predicted but potentially could result in a significant adverse effect on the value of such real estate.

Competition. The real estate industry is highly competitive and fragmented. Affiliate borrower will compete with other real estate companies, many of which have greater financial resources than the Affiliate borrower. Also, competing Investments may be located within the vicinity of the Investments. The Investments will experience competition for investments from such other Investments, as well as other individuals, corporations and other entities engaged in real estate investment activities. Competition for investments may increase costs and reduce returns on the Investments. It is also possible that tenants from properties will move to existing or any new properties in the surrounding area and that the financial performance of the properties would be adversely affected. Competition may also make it difficult to attract new tenants to the real properties. Such competition may result in decreased profits or in losses for the Affiliate borrower.

No Audited Results of Operation. Affiliate borrower may not obtain audited operating statements regarding the prior operations of an Investment. The Affiliate borrower may rely on unaudited financial information provided by the sellers of the Investments. Thus, it is possible that information relied upon by the Fund and an Affiliate borrower with respect to the acquisition of an Investment may not be accurate.

Condemnation of Land. The Investments or a portion of the Investments could become subject to an eminent domain or inverse condemnation action. Any such action could have a

material adverse effect on the marketability of an Investment or the amount of return on investment for the Affiliate borrower.

Liquidation Risks and Risks as to Ability to Fund Stated Return of Quarterly Distributions and redemptions.

The ability to fund the Stated Return and redemptions depends on cash available for Stated Return, generated from net cash flow and/or net sales and/or financing proceeds derived from an Affiliate borrower making payments in accordance with the respective Affiliate Loan. Offering proceeds can also be used to fund such payments. Also, as described in the Memorandum, the Stated Return and redemptions can be suspended due to Economic Disruptions. Although there is a redemption Cap of 6.25% per quarter or 25% annually, it may be more difficult to fund redemptions to the extent the amount requested are at levels approaching such caps. Investors who may be desirous of receiving back their Capital Contribution may have to wait until the next calendar quarter and/or calendar year to receive all or the remaining amount of their redemption request. The Fund, based on the redemption Cap and/or cash available for Stated Return, may only be able to fund part (but not all) of the amount requested for any redemption. Also, in order to satisfy the amounts requested for redemptions, the Manager or an Affiliate borrower may have to sell and/or refinance Investments at times, when they would not ordinarily do so, if they did not have the fund requested redemptions. Such sales undertaken at inappropriate times to satisfy the requested redemptions could result in reduced net cash flow, affect the cash available for the Stated Return and redemptions. There are no required reserves to be maintained under this Offering and/or in the Operating Agreement for the Fund to insure there are adequate funds to cover such Stated Return and redemptions. The Manager, in any event, will attempt to establish reserves for the Fund as they deem appropriate, but there is no guaranty that any such reserves maintained by the Manager will be adequate. It is almost impossible to predict the demand for redemptions that will actually occur in any such calendar quarter or year.

Financing Risks

Leverage. It is possible that the acquisition of the Investments will require an Affiliate borrower to obtain additional loans from third parties. Thus, the Investments will likely be leveraged. The Affiliate borrower has not obtained a commitment for any loans. Therefore, the amount and terms of any future loans are uncertain and will be negotiated by the manager of an Affiliate borrower. No assurance can be given that future cash flow will be sufficient to make the debt service payments on any loans and to cover all operating expenses. If the Investments' revenues are insufficient to pay debt service and operating costs, an Affiliate borrower may be required to seek additional funding from the Fund or third-party for working capital. There can be no assurance that such additional funds will be available. In the event additional funds are not available, the lenders may foreclose on the Investments and the Affiliate borrower could lose their investment. In addition, the degree to which an Affiliate borrower is leveraged could have an adverse impact on the Fund, including: (i) increased vulnerability to adverse general economic and market conditions, (ii) impaired ability to expand and to respond to increased competition, (iii) impaired ability to obtain additional financing for future working capital, capital expenditures; general corporate or other purposes and (iv) requiring that a significant portion of cash provided by operating activities be used for the payment of debt obligations, thereby reducing funds available for operations and future business opportunities.

Availability of Financing and Market Conditions. Market fluctuations in real estate loans may affect the availability and cost of loans needed for the Investments. As a result of the last economic downturn, underwriting criteria for a loan has become much stricter (including the requirement for generally lower loan to value ratios and the corresponding lower loan amounts), and there is no assurance that the Fund will be able to obtain the required financing to acquire the Investments. Restrictions upon the availability of real estate financing or high interest rates on real estate loans may also adversely affect the ability of an Affiliate borrower to sell the Investments. Based on historical interest rates, current interest rates are low and, as a result, it is likely that the interest rates available for future real estate loans and refinancing's will be higher than the current interest rates for such loans, which may have a material and adverse impact on the Investments, an Affiliate borrower and the Fund.

Unknown Loan Terms. The terms of the loans to be obtained or assumed by the Affiliate borrower to acquire the Investments will vary and the exact terms are unknown. It is anticipated that the loans may not allow for prepayment until shortly before maturity and that any prepayment may require the payment of a yield maintenance penalty. Consequently, the Affiliate borrower may not be able to take advantage of favorable changes in interest rates.

Balloon Payments. It is anticipated that the loans obtained to acquire the Investments may have short terms and will require the Affiliate borrower to make balloon payments on the maturity dates of the loans. If an Affiliate borrower is unable to make a balloon payment or to refinance a loan for any reason or at reasonable cost, the ownership of an Investment could be jeopardized.

Recourse Liability. Although an Affiliate borrower anticipates that any loan it obtains to acquire an Investment will be nonrecourse as to principal and interest, the manager of an Affiliate borrower has the discretion to obtain recourse loans. In the event an Affiliate borrower obtains a recourse loan and the related Investment fails to perform as expected, an Affiliate borrower may not have adequate cash to make payments due on the loan. If an Affiliate borrower defaults on a recourse loan, in addition to foreclosing on the related Investment, the lender may seek repayment from other assets of an Affiliate borrower, which would adversely affect the performance of an Affiliate borrower and the Fund.

Restrictions on Transfers. It is anticipated that the loans for the Investments will restrict the ability of an Affiliate borrower to sell its interest(s) in the Investments. Thus, an Affiliate borrower may not be able to sell an Investment, or its interest therein, when an Affiliate borrower or its manager believes it is the best time to do so.

Increased Interest Rates. There is great uncertainty as to how much interest rates will be increased to control inflation. Currently, as of the date of this Memorandum, the prime rate of interest is at 8.5% as announced in the Wall Street Journal. It is uncertain as to what extent the prime rate of interest could further increase. To the extent the actual interest rates are higher than projected this can affect the payments an Affiliate borrower can make for the respective Affiliate Loans and ultimately the Stated Return to Investors. It is also uncertain as to what extent sellers will lower their sale price expectations to reflect the potential loss of value due to higher interest rates. This could make it more difficult to find suitable Investments for investment.

Variable Interest Rates and Interest Only Loans. It is anticipated that loans (in addition

to the Primary Loan) obtained for an Investment may have variable interest rates. In the event that the interest rate on any loan increases significantly, an Affiliate borrower may not have sufficient funds to pay the required interest payments. In such event, the continued ownership of the applicable Investment may be threatened. In addition, it is anticipated that some of the loans will only require interest payments. Thus, balloon payments of principal will be due upon maturity. In the event that the Investment has not been sold or refinanced before such balloon payment is due, the continued ownership of the applicable Investment by an Affiliate borrower will be threatened.

Events of Default. It is anticipated that certain actions by the Fund or an Affiliate borrower will cause an event of default under the loan documents. Generally it is anticipated that the following items will cause a default under a loan, the failure to pay required payments under a loan, the failure to pay taxes, the failure to maintain insurance, the assignment by an owner of the property of an interest in the property to a creditor, the bankruptcy of an owner of an Investment, the filing of an action for partition or the transfer of an interest in the property without lender's consent will constitute an event of default under a loan. Additional events of default may be applicable for some or all of the loans. Should any of the owners of an Investment, default under a loan for any reason, the lender may declare a default under the applicable loan, which could result in foreclosure by the lender on the applicable property and the loss of all or substantial portion of the investment made by an Affiliate borrower and the Fund.

Risk as to Repayment of the Loan and Lack of Collateral for the Loans

All of the Affiliate Loans to an Affiliate borrower are recourse loans. An Affiliate borrower shall collaterally assign to the Fund all of their right, title and interest as to their pro-rata share of net cash flow and net proceeds from a sale or financing. The Primary Borrower shall be able to foreclose on any of the Investments if there is a default under any of the Affiliate Loans. To the extent there is a default under a Loan then all distributions of net cash flow and/or net sales or financing proceeds payable to an Affiliate borrower shall be applied first to any amounts due and owing under the Affiliate Loans before any distributions can be paid to the members and the managers of an Affiliate borrower. All distributions, otherwise payable to the managers and members of an Affiliate borrower, shall be subordinate to any payments due and owing under the Affiliate Loans. If an Affiliate borrower does not receive sufficient returns generated from the Investments to pay all amounts due and owing under the Affiliate Loans, then this could have a material effect on the Stated Return to Investors.

Risk as to COVID Pandemic

While the Centers for Disease Control and Prevention ("***CDC***") has officially declared the end of the COVID pandemic, the effects, consequences, and potential re-emergences remain as relevant and impactful risks. The declaration by the CDC does not negate or diminish the possible adverse effects of the pandemic or its aftermath on this Offering and the Fund.

The ongoing spread of COVID and its fallout present significant and uncertain risks with respect to this Offering and the operations of the Investments and tenants of real properties. COVID has created a significant disruption in the global economy. Given the current landscape, the global outbreak of COVID presents many significant challenges and will have ramifications across many

industries both in the near and long term, including the real estate industry. COVID is a public and political crisis, and unknown disruptions may occur. The effects of COVID are undoubtedly far reaching and will continue to pose significant and uncertain risks. It is impossible to determine the social and economic results of COVID. Any negative change in the general economic conditions in the United Stated could adversely affect the financial condition and operating results of the Investments. In addition, an Investment's revenues and operating results may be affected by uncertain or changing economic and market conditions. If global economic and market conditions, or economic conditions in the United States or other key markets, remain uncertain or persist, spread, or deteriorate, the Tenants may experience material impacts in their financial conditions, which may affect an Investment's operating results. Due to the uncertainty surrounding COVID and its ramifications, Investors may lose a significant portion of their investment in the Fund. Potential COVID risks in connection with this Offering, the Investments and the tenants of real properties, include, but are not limited to, the following:

1. Self-quarantine or actual viral health issues may result in management, employee or staff shortages.

2. COVID may be spread through encounters at an Investment.

3. Lawsuits may be filed in relation to COVID issues at an Investment.

4. Owners of the Investments and tenants of real properties may face increased costs from continual heightened sanitation efforts.

A prolonged economic downturn from the negative effects of the virus could result in job loss and tenant bankruptcies.

There is significant uncertainty concerning security and the stability of world and United States economies.

There can be no assurances the Investments will achieve projected cash flows.

The outbreak of the COVID pandemic has and could result in widespread restrictions and closures of commercial facilities across the United States and the world, including in the states and countries where the Investments will be located. Business practices will be modified to conform to government restrictions and best practices encouraged by government and regulatory authorities, which may negatively affect business operations. Even though risk mitigation plans will and/or have been implemented, these measures may not be sufficient to prevent adverse impacts from COVID on the tenants, their employees and customers and/or on the economic condition of the Investments. For instance, an outbreak of COVID or another contagious disease could result in significant adverse consequences, including the reinstatement and/or modification of government closure orders which impose new or more restrictions, decreased occupancy, failures of the tenants to make lease payments, and lawsuits. The degree to which COVID may impact on the operations and financial conditions of the Investments and the tenants of real properties is the unknown at this time and will depend on future developments, including the geographic spread of COVID and its numerous variants, the severity and the duration of the pandemic (including any resurgence or

the creation of new variants) and further actions that may be taken by governmental authorities or businesses or individuals on their own initiatives in response to the pandemic.

The COVID pandemic has had and may continue to have a devastating impact on many people's health and globally to our health care systems. In addition to the effect it has had on some parts of the country's health systems' capacity to deliver proper medical care to everyone that is in need, it has, for the most part, partially shut down the national economy and continues to affect many tenants' ability to pay rent and continue to operate their businesses. Many tenants have requested and may continue e to request rent relief which includes reducing, deferring or even waiving rent. In addition, in some jurisdictions government policies have limited or prohibited rent collections legal actions or limit the ability of landlord to institute legal actions to evict tenants for the nonpayment of rent.

As we continue to transition to more normalized operations, tenants and their customers have resumed shopping, dining and going to work. While it is hard to estimate the long term effect the pandemic will have on the Investments that the Affiliates already own, and/or as to those the Fund has or will invest in, there is no doubt that most Investments, if not all, have or will be negatively impacted.

COVID, in some respects, has made it more difficult to obtain mortgage financing. Many of the lenders have significantly reduced new loan originations and have imposed stricter underwriting standards. As a result, the required loan to value ratio to determine the amount of a loan may be lower, the spread to determine the interest rate for a loan could be higher, new or higher reserves may be required to be funded from loan proceeds (including the possibility for a debt service reserve) and larger guarantees, than previously required, may be imposed. This could result in more Investments being acquired on an all cash basis or with a lower loan amount. Also, this could affect distributions to Investors that would be funded from loan proceeds in connection with a financing for an Investment after it was acquired on an all cash basis or as to subsequent refinancings of an existing loan. It is uncertain as to the long-term effects of any such tightening and/or pullback of the mortgage loan market.

The Project Supplements for the Investments will contain certain forward looking statements. As a result of COVID and its effect on the global economy, the assumption utilized in such forward looking statements may become more uncertain and less reliable as an estimate for the future performance of the Investments. Such assumptions may have a greater likelihood of being incorrect and the actual results could differ materially from those contemplated in such forward looking statements. Investors should not place undue reliance on forward looking statements.

ESTIMATED USE OF PROCEEDS

The following sets forth certain information concerning the estimated use of the proceeds of the Offering based on the Initial Offering Amount:

1) The Fund shall pay an annual servicing and distribution fee equal to 1.50% of the Capital Contributions in the Fund (the "***SD Fee***"). Such annual SD Fee shall be calculated and paid in quarterly installments equal to 0.375% of the Capital Contributions in the Fund as of the last day of each calendar quarter.

2) Offers and sales of Units will be made on a best-efforts basis, subject to the initial offering amount to be invested by the Manager and its Affiliates and the Maximum Offering Amount of this Offering, by broker-dealers (each a "***Selling Group Member***", and collectively, the "***Selling Group***" or "***Selling Group Members***") who are members of FINRA. Time Equities Securities LLC, a New York limited liability company, an Affiliate of the Manager and a member of FINRA ("***TES***"), will act as the "***Managing Broker-Dealer***" and shall be paid the SD Fee in lieu of any selling commissions. TES will re-allow up to 1% of the amount subscribed to be paid to the Selling Group Members; *provided, however*, that this amount may be reduced to the extent TES, on behalf of the Fund, negotiates a lower commission rate with a Selling Group Member and the commission rate will then be the lower agreed upon rate. Units may also be sold by registered investment advisors and such Unit sales often do not include selling commissions. Such amount paid to the other Selling Group Members shall reduce the SD Fee paid to TES on a dollar-for-dollar basis. In addition, on an ongoing basis, TES may, in TES' sole discretion, share up to two-thirds ($2/3^{rd}$) of the SD Fee (i.e., 1% of the amount subscribed and remaining as invested capital in the Fund) with Selling Group Members in the form of a trail based compensation structure which will reduce the amount of the SD Fee paid to TES on a dollar-for-dollar basis. If Units are sold by a registered investment advisor, and such registered investment advisor foregoes receiving the payment of any Selling Commissions, then TES may, if requested by such registered investment adviser and the applicable Investor, pay up to two-thirds ($2/3^{rd}$) of the SD Fee (i.e., 1% of the amount subscribed and remaining as invested capital in the Fund) to the applicable Investor and such payment to the Investor shall reduce the SD Fee paid to TES on a dollar-for-dollar basis. TES will also re-allow to Selling Group Members on a non-accountable basis, allowances for marketing and due diligence expenses of up to 1% of the amount subscribed. This amount will be received on a non-accountable basis and reimbursed to TES from the SD Fee. In such circumstance, if in year-1 of an Investment the Selling Group Members received payments in excess of 1.5% of the amount subscribed, then TES shall reduce the amount of its year-2 SD Fee on a dollar-for-dollar basis with the same treatment for future years.

3) The minimum purchase is five (5) Units for a total purchase price of $25,000, except that the Manager may permit certain Investors to purchase fewer Units, in its sole discretion.

None of the subscription payments received from third party Investors will be held in escrow, but instead will be paid directly to the Fund upon the Manager's acceptance of an Investor's subscription agreement.

DESCRIPTION OF THE POTENTIAL INVESTMENTS UNDER THE AFFILIATE LOANS

The Fund will make the Primary Loan to the Primary Borrower, which will then seek to make Affiliate Loans so that the respective Affiliate borrowers may acquire one or more Investments. Such Investments may consist of those located in the United States and internationally. An Affiliate borrower, through the use of Loan proceeds from the Fund, may also make secured and unsecured loans, with a floating or fixed interest rate. There are no specific limitations on the number or size of Investments to be acquired, in whole or in part, by an Affiliate borrower, or on the percentage of net proceeds of this Offering which may be invested in a single property. The number and mix of Investments will depend upon market conditions and other circumstances existing at the time an Affiliate Loan is made, as well as the amount of the net proceeds of this Offering. It is anticipated that an Affiliate borrower will either directly or indirectly be a member in a limited liability company that will own fee title or a tenant in common interest in the Investments; provided that, in some cases, an Affiliate borrower may acquire long-term ground lease interests, condominium or cooperative interests and/or stock in a public or privately traded company, among other types of Investments.

An Affiliate borrower may also participate in discounted mortgage purchases, some of which may involve Investments that Affiliates of the Manager and/or third party joint venture partners already own or have an interest therein. Under such circumstances, where an Affiliate of the Manager owns all or a part of an Investment, an Affiliate borrower, may be given the opportunity to participate in the balance of the equity required to purchase such debt if the existing owners or investors do not elect to fund the entire amount of such purchase price, on the same terms and conditions as offered to existing owners or investors.

Acquisitions by an Affiliate borrower could also include stock in real estate related public or publicly traded in companies, including REITS and the purchase of subordinate B Piece lender participation interest for mortgage or mezzanine debt.

In addition, an Affiliate borrower could acquire preferred equity or class A Membership Interests in an Investment (including those owned by an Affiliate of the Manager). In such case, the Manager expects that an Affiliate borrower’s capital contribution for such property and its stated return will be paid before distributions are made to the other members or class B members of the limited liability company that owns the property. An Affiliate borrower may also be entitled to repayment of the entire amount of its Capital Contribution on a stated maturity date to the extent of cash available for distribution and the Fund may, in turn, have a Loan repaid by an Affiliate borrower. However, in return for such priority distributions, an Affiliate borrower will probably, in such case, not be entitled to any other distributions after it has been repaid its capital contribution, plus the accrued and unpaid priority return thereon.

An Affiliate borrower may also purchase or recapitalize equity interest in existing companies managed by Affiliates of the Manager, and fund investor redemptions in various funds in which Time Equities Securities LLC is the managing or sole broker dealer for the offerings for such funds.

The Manager expects that international acquisitions will be structured and/or undertaken so that the Investors do not have to file any foreign income tax returns and in those countries where taxes paid on income generated from a foreign property outside of the United States can result in a tax credit, in whole or in part, against an Investor's U.S. income taxes.

SUPPLEMENTS/ADDENDUMS

This Memorandum may be supplemented from time to time by one or more supplements or addendums.

ACQUISITION AND FINANCING TERMS FOR INVESTMENTS

It is anticipated that an Affiliate borrower, as the owner of any Investments, may purchase Investments either directly or through joint ventures, pursuant to purchase and sale agreements with the sellers of the Investments. Under limited circumstances, an Affiliate may acquire Investments currently owned by the Manager or other Affiliates. The terms of the purchase and sale agreements are currently not known. The Affiliate Loans could be responsible for all of the closing costs associated with any Investment acquired by an Affiliate (or its pro rata portion of such costs in the event the Investment being purchased is a partial interest in the Investment or is being acquired through a joint venture with other entities), and it is likely an Affiliate will be required to establish reserves for the Investments. The acquisition structure for the Investments is unknown, but it is anticipated an Affiliate may acquire the Investments, in whole or in part, directly or through special purpose entities.

The Manager anticipates that the aggregate loan-to-value ratio for each Affiliate Loan will be between 1% and 80% based on the cost basis of an Investment at the time of a financing, or the estimated value of an Investment as determined by the Manager; provided, however, situations may arise where the loan-to-value ratio in the Primary Borrower's sole discretion may exceed 80%. However, the average loan-to-value-ratio of all Affiliate Loans shall not exceed 80%.

TEI BUSINESS PLAN

Time Equities, Inc.

Founded in 1966, TEI is a diversified investment, development, asset and property management, licensed real estate brokerage, and alternative energy company that has been in business for nearly six decades. The TEI portfolio includes approximately 43.5 million square feet of residential, industrial, office and retail property including about 5,100 multi-family apartment units, approximately 540,000 square feet in pending acquisitions, and 2.8 million square feet of various property types in stages of pre-development and development. With 344 properties across 36 states, five Canadian provinces, Anguilla, Germany, Italy, the Netherlands, and Scotland, the TEI portfolio benefits from a diversity of asset types including non-performing loans, B-notes, and alternative energy investments. TEI has a variety of market concentrations in the Northeast, Southeast, Midwest and West Coast of the U.S., and new markets around the world are always being evaluated.

TEI's management team has extensive experience investing in numerous types of properties over many real estate cycles. TEI offers a full range of real estate services including the **following**:

Acquisitions - Seeing opportunity where others see adversity is at the foundation of TEI's acquisitions strategy. TEI believes that it has a competitive edge as a "**niche**" player, buying both institutional and non-institutional properties that may have higher yields.

Asset and property Management - TEI provides in-house asset management services to almost all of its properties. To completely understand an asset and to enhance its value to tenants and investors, TEI's asset managers must work with property managers, leasing brokers, building staff, tenants and vendors in a collaborative partnership with one goal in mind: to make the asset perform to its optimum level.

Equity and Investor Relations - In 2000, TEI established its own broker-dealer TES, and used TES as the broker-dealer for its Reg D Rule 506 private placement offerings. Up until 2011, TES did not allow other broker-dealers to participate in these offerings.

With the beginning of the offering for TEI Diversified Income Fund I LLC in 2012, TES began to open up certain of its offerings to other broker-dealers and registered investment advisors. TEI Diversified Income Fund I, LLC closed its offering on December 31, 2013 with total subscriptions of $17,042,281, TEI Diversified Income & Opportunity Fund II, LLC closed its offering on November 30, 2015 with total subscriptions of $59,142,290, TEI Diversified Income & Opportunity Fund III LLC closed its offering on November 30, 2017 with total subscriptions of approximately $68,000,000 and TEI Diversified Income & Opportunity Fund IV, LLC closed its offering on November 30, 2019, with total subscription of approximately $128,639,555 and TEI Diversified Income and Opportunity Fund V, LLC closed its offering on November 30, 2021 with total subscriptions of approximately $63,657,087. Other broker-dealers and registered investment advisors participated in these five offerings.

Since inception, TES has worked with all types of investors. TES also maintains a full service investor relations team to service the investors for its offerings.

Design & Construction Management – TEI's Design and Construction Department focuses on the sensitive balance of progressive style, consumer needs, community input and construction practicality. The design team is committed to designing and managing projects that are aesthetically pleasing and innovative, but architecturally sound. TEI's Design and Construction Department understands that good projects are not designed, they are redesigned. They work diligently in the construction oversight and value engineering process to deliver a product that offers outstanding design and real value.

Sustainable Design and Management Strategies - TE Greengineers ("**TEG**"), an Affiliate of TEI, provides technical and strategic consulting services in the areas of building operations and sustainability. TEG works with building owners to reduce energy costs and improve comfort. TEG develops finance solutions to fund the cost of

building upgrades without waiting for next year's budget and bring immediate savings to TEG's clients. TEG's vision is a world full of comfortable tenants, profitable landlords, and low-energy buildings. Other consulting services include: Green Development Advisory, LEED® Certification, Management, Grant and Rebate Coordination, LEED® Training.

Commercial Sales and Leasing – TEI's in-house and third-party leasing and brokerage department offers comprehensive real estate services including all commercial, residential and office condominiums, sales, and tenant representation.

Residential Sales - TEI's dynamic condo and cooperative apartment sales department represents individuals in the sale or purchase of their New York City and New Jersey residences. TEI's team also represents TEI in the marketing and sales of its own residential projects.

Mortgage Brokerage - Leverage is a critical aspect of any real estate investment strategy. TEI's Mortgage Brokerage Department works with the asset managers and the Financial Asset Management and Budgeting Department to structure appropriate and cost effective debt on properties acquired by TEI and its Affiliates.

1031and 1033 Like-Kind Exchanges – TEI has assisted investment partners with 1031 or 1033 Exchange transactions for many years, and subsequent to 2002, has structured many tenant in common ("**TIC**") transactions in accordance with IRS Revenue Procedure 2002-22.

Sale-Leaseback Transactions – TEI has developed an expertise in sale-leaseback transactions for office, industrial, and specialty properties. When looking for deals, TEI focuses primarily on the inherent value of the real estate. TEI has found that many companies with credit ratings that do not match their historic performance or potential, may be sound organizations that need some special attention and innovative underwriting.

Joint Ventures - To the extent that management determines that it is advantageous, TEI can invest in one or more joint ventures or other co-ownership arrangements for the acquisition of properties with third parties or with Affiliates.

TEI's Succession Plan – Francis Greenburger and Robert Kantor plan to continue to be active as TEI's Chief Executive Officer ("**CEO**") and President for the foreseeable future. They have no plans to retire unless health issues occur. However, they have prepared the company for executive transition when the time comes by creating a corporate governance structure in advance.

Francis Greenburger has created a governance structure which represents the interests of all of TEI's stakeholders, including TEI's investors, Francis' family as TEI's largest investor, Robert Kantor's family as investors, and all members of TEI's staff as represented by senior management, most of whom have dedicated and developed their careers at TEI. It is anticipated that any future President and CEO will come from within TEI's existing senior management, of which there are several qualified

candidates.

The vision for the company is that TEI is a platform for talented and exceptional real estate entrepreneurs to build, or who have already built, their careers in asset acquisition, development, redevelopment, management and disposition. TEI provides access to the TEI brand, which offers buyer credibility, credit strength, and access to equity capital. It also provides extensive in-house expertise in legal, accounting, mortgage finance, asset management, leasing, sales and marketing, insurance, design and construction, rents administration, project management and all other skills needed to support effective asset management, real estate development, repositioning and long-term ownership.

In anticipation of any future transition, subcommittees have been formed and instructed as to the ongoing needs, continuity of business functions and governing policies relating to each area of the company's operations.

It is Francis Greenburger's stated intent that TEI will continue beyond his tenure to serve the interests of its investors, his family, and the careers of TEI's long-time senior managers and staff members.

The Fund's Investment Objectives:

The primary investment objectives of the Fund are: (i) preserve the Investors' Capital Contributions, (ii) provide the Investors with the Stated Return from cash flow generated by the Primary Loan, and (iii) to have sufficient liquidity to fund redemptions of all or part of an Investor's Capital Contribution. The Fund intends to begin making the Quarterly Distributions to the Members beginning in the first full calendar quarter after the Fund accepts capital contributions from Investors. **There can be no assurance that any of these objectives will be achieved.**

Business Strategies

TEI has acquired a diverse real estate portfolio with guiding principles that have remained the same: a dedication to long-term ownership and opportunistic buying. TEI believes that it has been successful in identifying hidden value and emerging new markets that may produce above average returns. TEI believes that to succeed in today's complex and competitive real estate marketplace, one needs to have a long term view, be flexible, opportunistic and able to maintain a balanced portfolio in diverse markets with thorough underwriting and extensive due diligence experience. Investment returns for each acquisition are analyzed using an immediate, mid-term and residual-value approach. TEI has a disciplined investment and diligence process designed to identify and underwrite undervalued assets and stay ahead of the curve. TEI's approach to property and asset management focuses on the attention to detail without losing sight of the fundamental goals of our investors. TEI believes it is this viewpoint which enables it to succeed in the complex world of real estate ownership and management.

PLAN OF DISTRIBUTION

Capitalization

A minimum purchase of Five (5) Units (**$25,000**) will be required, except that the Manager may permit certain investors to purchase fewer Units, in its sole discretion. The net proceeds from the sale of each Unit will be added to the Fund's capital and utilized for the purposes set forth in this Memorandum.

The Units are being offered at the discretion of the Manager until: (i) the date the Initial Offering Amount is met or the Maximum Offering Amount is met, if the Manager decides to increase the amount of the Offering as described hereinabove; (ii) **December 31, 2026**; or (iii) the termination of this Offering at an earlier date in the sole discretion of the Manager, but in no event earlier than **January 1, 2025** (the **"*Offering Termination Date*")**.

The Manager, at its sole option, shall have the right to extend the Offering Termination Date for an unlimited number of successive five (5) year periods. The Manager shall exercise such extension right for the Offering Termination Date in a written notice to the Members of the Fund. This notice may occur by providing Investors with a copy of a Project Supplement to this Offering, at least thirty (30) days prior to the current Offering Termination Date, after considering any extensions that may have already been exercised by the Manager.

Qualifications of Investors

The Units are being offered only to persons who can represent that they meet the Investor Suitability Requirements described under "**Who May Invest**" and may be purchased only by investors who satisfy such suitability requirements.

Sales of Units

The purchase price of $5,000 for each Unit will be payable in full in cash upon subscription. The minimum subscription amount will be Five (5) Units ($25,000), except that the Manager, in its sole discretion, may permit certain investors to purchase fewer Units. All Subscriptions that have been accepted by the Manager from third party Investors will be payable to the Fund and promptly deposited into the operating account of the Fund. There is no assurance that all Units will be sold prior to the Offering Termination Date. The Fund reserves the right to refuse to sell Units to any person, in its sole discretion, and may terminate this Offering at any time. See "**Conflicts of Interest**" and "**Risk Factors – Risks Relating to Private Offering and Lack of Liquidity – Purchase of Units by the Manager or its Affiliates**".

Marketing of Units

Offers and sales of Units will be made on a best-efforts basis, subject to the initial offering amount to be invested by the Manager and its Affiliates and the Maximum Offering Amount of this Offering, by broker-dealers (each a "***Selling Group Member***", and collectively, the "***Selling Group***" or "***Selling Group Members***") who are members of FINRA. Time Equities Securities LLC, a New York limited liability company, an Affiliate of the Manager and a member of FINRA

(“***TES***”), will act as the “***Managing Broker-Dealer***” and shall be paid the SD Fee in lieu of any selling commissions. TES will re-allow up to 1% of the amount subscribed to be paid to the Selling Group Members; *provided, however*, that this amount may be reduced to the extent TES, on behalf of the Fund, negotiates a lower commission rate with a Selling Group Member and the commission rate will then be the lower agreed upon rate. Units may also be sold by registered investment advisors and such Unit sales often do not include selling commissions. Such amount paid to the other Selling Group Members shall reduce the SD Fee paid to TES on a dollar-for-dollar basis. In addition, on an ongoing basis, TES may, in TES’ sole discretion, share up to two-thirds (2/3rd) of the SD Fee (i.e., 1% of the amount subscribed and remaining as invested capital in the Fund) with Selling Group Members in the form of a trail based compensation structure which will reduce the amount of the SD Fee paid to TES on a dollar-for-dollar basis. If Units are sold by a registered investment advisor, and such registered investment advisor foregoes receiving the payment of any Selling Commissions, then TES may, if requested by such registered investment adviser and the applicable Investor, pay up to two-thirds (2/3rd) of the SD Fee (i.e., 1% of the amount subscribed and remaining as invested capital in the Fund) to the applicable Investor and such payment to the Investor shall reduce the SD Fee paid to TES on a dollar-for-dollar basis. TES will also re-allow to Selling Group Members on a non-accountable basis, allowances for marketing and due diligence expenses of up to 1% of the amount subscribed. This amount will be received on a non-accountable basis and reimbursed to TES from the SD Fee. In such circumstance, if in year-1 of an Investment the Selling Group Members received payments in excess of 1.5% of the amount subscribed, then TES shall reduce the amount of its year-2 SD Fee on a dollar-for-dollar basis with the same treatment for future years.

TES and the Selling Group may be deemed “**underwriters**” as that term is defined in the Securities Act. The Managing Broker-Dealer Agreement between the Fund and TES and the soliciting dealer agreements (the “***Soliciting Dealer Agreements***”) between TES and a Selling Group Member for the sale of the Units contain some provisions for indemnity by the Fund with respect to liabilities, including certain civil liabilities under the Securities Act, which may arise from the use of this Memorandum in connection with the Offering. Insofar as indemnification for liabilities arising under the Securities Act may be permitted to the Manager and the Members of the Fund pursuant to the foregoing provisions, or otherwise, the Fund has been advised that, in the opinion of the SEC, such indemnification is against public policy as expressed in the Securities Act and is therefore unenforceable. Further, limitations on indemnification are provided in the Managing Broker-Dealer Agreement and the Soliciting Dealer Agreements for this Offering, copies of which may be obtained by submitting a written request to the Fund.

Selling Group Members will be required to execute a Soliciting Dealer Agreement with TES after the effective date of this Memorandum. The Soliciting Dealer Agreement contains cross-indemnity provisions with respect to certain liabilities, including liabilities under the Securities Act.

Inquiries about subscriptions should be directed to TEI Quarterly Debt Fund Manager LLC whose mailing address is C/O Time Equities Securities LLC, 55 Fifth Avenue, 15th Floor, New York, New York 10003 and the telephone number is (212) 206-6176.

Sales Materials

Unless otherwise approved by TES, no literature and/or documents may be used in this Offering, except for this Memorandum, the Exhibits hereto and Supplements, and factual summaries and sales brochures of the Offering prepared by the Fund and/or TES.

The Manager may also respond to specific questions from broker-dealers and prospective investors. Business reply cards, introductory letters or similar materials may be sent to broker-dealers for customer use. Other information relating to the Offering may be made available to broker-dealers for their internal use. However, the Offering is made only by means of this Memorandum. Except as described herein, neither the Fund nor the Manager has authorized the use of other sales materials in connection with the Offering. The information in such material does not purport to be complete and should not be considered as a part of this Memorandum, or as incorporated in this Memorandum by reference or as forming the basis of the Offering.

No broker-dealer, salesperson or other person has been authorized to give any information or to make any representations other than those contained in this Memorandum or in any sales brochure literature issued by the Fund and, if given or made, such information or representations must not be relied upon.

Purchases of Units by the Manager or its Affiliates

The Manager and/or its Affiliates may subscribe for any number of Units for any reason deemed appropriate by the Manager, but are not obligated to do so. The Manager and/or its Affiliates will not acquire any Units with a view to reselling or distribute such Units. Any purchase of Units by the Manager and/or its Affiliates will be on the same terms and conditions as are available to all investors. See "**Plan of Distribution**". The purchase of Units by the Manager and/or its Affiliates could create certain risks, including, but not limited to, the following: (i) the Manager and/or its Affiliates would obtain voting power as Members, (ii) the Manager and/or its Affiliates may have an interest in disposing of Fund assets at an earlier date than the other Members so as to recover its investment in the Units made by it or its Affiliates and (iii) substantial purchases of Units may limit the Manager's ability to fulfill any financial obligations that it may have to or on behalf of the Fund. See "**Conflicts of Interest**" and "**Risk Factors – Risks Relating to Private Offering and Lack of Liquidity – Purchase of Units by the Manager or its Affiliates**".

Subscription Procedures

To subscribe for Units, a purchaser must complete and sign the Subscription Agreement attached hereto as **Exhibit B**. The purchaser must deliver to TES the fully executed Subscription Agreement, a signed signature page for the Operating Agreement and a check or wire transfer for the full subscription price made payable to "**TEI QUARTERLY DEBT FUND LLC** ". TES will process the proposed subscription and forward the Subscription Price and the Subscription Agreement to the Fund for approval. The Manager, in its sole discretion, may use alternative banks or financial institutions to deposit funds tendered for the purchase of Units.

Acceptance of Subscriptions

The Manager has the right to accept or reject any subscription in whole or in part for a period of 30 days after receipt of the subscription, in its sole discretion. Any subscription not

accepted within 30 days of receipt will be deemed rejected.

Limitation of Offering

The Units are being offered and sold in reliance upon exemptions from the Securities Act and state securities laws. Accordingly, distribution of this Memorandum has been strictly limited to persons satisfying the Investor Suitability Requirements described herein, and this Memorandum does not constitute an offer to sell or a solicitation of an offer to buy with respect to any person not satisfying those requirements.

CAPITALIZATION OF THE FUND

The following table sets forth the anticipated capitalization of the Fund reflecting the issuance and sale of the Units offered hereby.

	Initial Offering Amount[1]
Units	20,000
Total	$100,000,000

The Units are being offered until the Offering Termination Date. The amount shown reflects the Initial Offering Amount. This Initial Offering Amount does not include the possible increase in the Total Offering Amount by the Manager to Maximum Offering Amount of **$300,000,000** if the Fund is oversubscribed on or prior to the Offering Termination Date.

Amounts shown are the anticipated gross proceeds of the Offering before deducting any fees. See "**Plan of Distribution**" and "**Estimated Use of Proceeds**".

THE MANAGER

The Manager of the Fund is TEI Quarterly Debt Fund Manager LLC, which was recently formed as a Delaware limited liability company on April 30, 2023, and is managed by Francis Greenburger and Robert Kantor. Francis Greenburger is the founder, sole director, shareholder and Chairman and Chief Executive Officer of TEI and Robert Kantor is the President and Chief Operating Officer, and acting Chief Compliance Officer of TEI.

Founded in 1966, TEI is a diversified investment, development, asset and property management, licensed real estate brokerage, and alternative energy company that has been in business for nearly six decades. The TEI portfolio includes approximately 43.5 million square feet of residential, industrial, office and retail property including about 5,100 multi-family apartment units, approximately 540,000 square feet in pending acquisitions, and 2.8 million square feet of various property types in stages of pre-development and development. With 344 properties across 36 states, five Canadian provinces, Anguilla, Germany, Italy, the Netherlands, and Scotland, the TEI portfolio benefits from a diversity of asset types including non-performing loans, B-notes, and

alternative energy investments. TEI has a variety of market concentrations in the Northeast, Southeast, Midwest and West Coast of the U.S., and new markets around the world are always being evaluated.

The Manager has the exclusive authority to manage and control all aspects of the business of the Fund. In the course of its management, the Manager may, in its sole discretion, employ such persons, including Affiliates of the Manager, as it deems necessary. The following are the management executives, directors and officers of TEI:

Name	Title
Francis Greenburger	Chairman and Chief Executive Officer
Robert Kantor	President, Chief Operating Officer, and Acting Chief Compliance Officer
Max Pastor	Executive Vice President, Director of Acquisitions
David Feinberg	General Counsel
David Becker	Managing Director, Equity Division
Alexander Anderson	Senior Director, Equity Division
Richard Recny	Managing Director, Acquisition/Commercial Asset Management
Stuart Bruck	Managing Director of Finance
Dorothy Biondo	Controller
Landon Goodman	Chief Accounting Officer

Francis Greenburger is an American real estate developer, literary agent, author, philanthropist, activist and founder of TEI, Art Omi, Inc., and the Greenburger Center for Social & Criminal Justice.

Mr. Greenburger is the Founder, Chairman and Chief Executive Officer of Time Equities Inc. Founded in 1966, Time Equities Inc. (TEI) has been in the real estate investment, development and asset & property management business for more than 50 years. Mr. Greenburger is known for his ability to anticipate real estate trends and changing market conditions. TEI currently holds approximately 43.5 million square feet of residential, industrial, office and retail properties including about 5,100 multifamily apartment units, approximately 540,000 square feet in pending acquisitions as of April 7, 2024 and 2.8 million square feet of various property types in various stages of development. With properties in 36 states, five Canadian provinces, Germany, the Netherlands, Scotland, Italy and Anguilla, the TEI portfolio benefits from a diversity of property types, sizes and markets, including non-performing loans, B Piece lender participation interests and alternative energy investments.

In addition, Mr. Greenburger is the Chairman of Sanford J. Greenburger Associates (SJGA), a literary agency founded by his father in 1932. SJGA represents many world-renowned and best-selling authors including Dan Brown and Brad Thor. Also among the agency's current

clients are writers of fiction, non-fiction, genre books, and original eBooks; author and artists of children's books; and a small number of poets and essayists.

Mr. Greenburger is an active board member in various art, education and criminal justice not for profit organizations. He is the Founder and Chairman of Art Omi, a sculpture and architecture park and arts center founded in 1992, which also provides residencies for visual artists, writers, dancers, musicians, and architects from all over the world. Mr. Greenburger himself is an art collector (his office is a virtual gallery) and he owns over 1000 contemporary paintings and sculptures. He was awarded the insignia of chevalier of the Order of Arts and Letters by the French government because of his commitment to the arts and his founding of the Omi International Arts Center.

Most recently, Mr. Greenburger founded the Greenburger Center for Social and Criminal Justice in 2014, which advocates for reforms to the criminal justice and mental health systems. The Greenburger Center is working to create a secure Alternative to Incarceration model for those living with serious mental illness, accused of felony level crimes. The model will be piloted at a facility called Hope House on Crotona Park, located in the Bronx, New York. Hope House will provide up to two years of treatment in a modified residential therapeutic community with clinical services, and job and life skills training for up to 25 adults. The Greenburger Center also advocates on the local and national level to decriminalize mental illness.

Within his philanthropic pursuits, Mr. Greenburger is the Chairman of New York Edge, the largest provider of after school programs to the New York City public school system. He serves on the board of several not for profit organizations, including Alliance for Downtown New York, Baruch Real Estate Advisory Board for the Department of Real Estate, Lavigny Writer's Residency, Lincoln Center – Real Estate and Construction Council, Little Red Schoolhouse/Elizabeth Irwin High School Board of Trustees, Lower Manhattan Cultural Council, Michael Wolk Heart Foundation, and the Zicklin School of Business Dean's Council at Baruch College, and is a Trustee Emeritus for the Massachusetts Museum of Contemporary Art. Beyond his board service, Mr. Greenburger is an active donor to over 300 charitable organizations.

The author of two books, Mr. Greenburger co-authored a book with Thomas Kiernan in 1980, *How to Ask for More and Get It: The Art of Creative Negotiation*, and recently published his memoir in 2016: *Risk Game: Self-Portrait of an Entrepreneur*, written with Rebecca Paley.

Mr. Greenburger is also an activist for various social justice and political issues, beyond criminal justice reform. He is a longstanding political supporter and donor, using his network, voice and influence to advocate for social justice issues at the local, state, and federal levels.

Mr. Greenburger graduated from Baruch College in 1974 with a degree in Public Administration. He is an avid tennis player and traveler. He resides in Manhattan with his wife Isabelle Autones and is the father of four children: Morgan, Noah, Julia and Claire.

Mr. Greenburger holds Series 22, 39 and 63 securities registrations.

Robert Kantor has been employed by TEI since 1985. He is currently the President and

Chief Operating Officer of TEI and the President of TES. Mr. Kantor received his B.S. (with High Honors) from the University of Maryland and his law degree from Northeastern University School of Law. He is a non-practicing Certified Public Accountant and a member of the Bar in New York. Although licensed in New Jersey and Massachusetts for many years, Mr. Kantor no longer maintains an active licenses in those states. In addition to being an experienced real estate tax professional, prior to joining TEI, Mr. Kantor ran a family-owned real estate company that purchased properties for investment and conversion to cooperative ownership, with cooperative sales in excess of fifty million dollars. In addition, Mr. Kantor has owned and operated for his own account (and that of his family) residential, office, industrial and retail properties in New York, New Jersey, Pennsylvania and many other states. Mr. Kantor is the manager or co-manager of more than three hundred real estate companies for Affiliates of TEI and/or Mr. Kantor or his family members. Mr. Kantor is also the President of a family-owned real estate management company known as Cityprop Management Corp. He is a member of the Board of Governors of a New Jersey country club. Mr. Kantor is the President and a Principal in TES. Mr. Kantor holds Series 22, 39 and 63 securities registrations.

Max Pastor, Executive Vice President and Director of Acquisitions. Mr. Pastor has been actively engaged in multiple facets of commercial real estate for over 20 years. Mr. Pastor currently leads a national acquisitions and asset management group, is the Executive Vice President of TEI and Time Equities Securities LLC, and is an integral contributor to TEI's executive management team. Since 2015, Max has originated and led the acquisition of approximately 4,000,000 square feet of real estate across 13 states. Mr. Pastor's responsibilities include originating, formulating and executing business plans for a diverse national real estate portfolio and utilizing his expertise to re-position underperforming assets such as industrial and office properties. Mr. Pastor received his B.A. from The Ohio State University and his J.D. from the Yeshiva University, Benjamin N. Cardozo School of Law. He is a member of the bar in New York and Florida, holds a Series 22, Series 39, and Series 63 Securities registration, and serves on the Board of Trustees and Executive Committee of Art Omi, Inc.

David Feinberg. David Feinberg is General Counsel at Time Equities Inc. (TEI), and is responsible for overseeing the legal aspects of the various transactions TEI performs. Mr. Feinberg's primary responsibilities are focused on preparing and negotiating Purchase and Sales Agreements, Loan Documents, Leases, and all other related real estate and tax matters. Mr. Feinberg has been with TEI since May of 2006. Mr. Feinberg graduated from the State University of Albany with a B.S. degree in Accounting in 1996. Mr. Feinberg obtained his law degree from New York Law School in 1999 and his LL.M. in Taxation from New York University Law School in 2002. Mr. Feinberg is licensed to practice law in the States of New York and Florida and is also a Certified Public Accountant.

David Becker, Managing Director, Equity Division. Mr. Becker is primarily responsible for overseeing equity department associates and personnel and raising equity capital from private and institutional investors. Mr. Becker has formed several strategic private and institutional equity and finance relationships that have provided TEI with a platform to diversify and expand. Mr. Becker is TEI's primary contact for outside investors and partners. Mr. Becker also has extensive acquisition and asset management experience and is also continually searching for new acquisition targets that meet TEI's investment objectives. Prior to joining TEI, Mr. Becker was

Co-Founder and Principal of Becker Brothers LLC, a New York based real estate investment and development firm with a primary investment concentration in the Northeast. Mr. Becker began his career with Arthur Andersen's Real Estate Consulting Group (4 years), assuming responsibilities on a wide range of real estate projects including acquisition and valuation analysis. Mr. Becker graduated from Tulane University's A.B. Freeman School of Business in May, 1994 with dual degree in finance and accounting. Mr. Becker resides in New Jersey with his wife and two children. Mr. Becker is a registered representative in TES and holds Series 22 and 63 securities registrations.

Alexander Anderson, Senior Director, Equity Division. Since joining TEI in 2011, Alexander has helped design and raise approximately $1B in private real estate equity and debt offerings (including 1031 exchange transactions). Alexander has dedicated his attention towards building life-long friendships with hundreds of investment advisors/brokers, as well as thousands of high-net-worth investors (including single family offices) that he and TEI serve collectively through various investment programs. Alexander also has extensive experience in identifying and analyzing new acquisitions opportunities. Prior to joining TEI, Alexander began his career in commercial real estate investment sales and leasing at Colliers International and RHYS Commercial with a specialized focus on Westchester County, New York and Fairfield County, Connecticut. Alexander graduated from the University of Vermont earning a Bachelor's degree in Economics. Alexander is a FINRA registered representative with both Series 22 & 63 designations and is a licensed real estate broker in the State of New York.

Richard Recny, Managing Director, Acquisition/Commercial Asset Management. Mr. Recny has worked for TEI since 1987. His duties include the supervision of the development, management, and leasing of over 16 million square feet of industrial, office, and retail space from a landlord's perspective; the creation and the maintenance of management systems and controls for the portfolio; the development and evaluation of asset management strategies for each property within the portfolio; and the origination and analysis of new office, retail and industrial property acquisitions. In addition, Mr. Recny oversees the process to obtain LEED certifications, Energy Star ratings, and energy reductions for all commercial buildings within TEI's portfolio. Prior to Mr. Recny's appointment at TEI, he worked for the Local Development Corporation of East New York as its Executive Director ('79-'87). Mr. Recny created and developed a highly regarded local development corporation in the State of New York, developing the organization from a staff of one and an annual budget of $20,000 to an organization with a staff of thirty-two and an annual budget in excess of $2 million. In conjunction with the City of New York, he planned and supervised the development of the 102 acre East Brooklyn Industrial Park, created the first industrial business improvement district and one of the State of New York's first Economic Development Zones. Mr. Recny is a graduate of the University of California at Berkeley and Columbia University.

Stuart Bruck, Managing Director of Finance. For over thirty two (32) years he has served as Director of Finance and the Director of Mortgage Brokerage Service at TEI. He has placed approximately $5 billion of mortgages, lines of credit, construction loans, mezzanine loans, and loans secured by mortgage receivables. Mr. Bruck has worked with numerous lenders on a nationwide basis and in Canada. His financing sources include savings banks, commercial banks, life insurance companies, pension plans, and hedge funds. He oversees a staff of four. Prior to joining TEI, Mr. Bruck was the chief mortgage underwriter for the Mortgage Insurance Program

for the State of New York Mortgage Agency ("***SONYMA***"), which provided credit enhancements to lenders who made mortgage loans in New York State. As Chief Mortgage Underwriter, he was responsible for determining whether applicants (banks) appropriately identified risks and adequately addressed them. Before joining SONYMA, he was employed by the New York City Department of Housing, Preservation and Development ("***HPD***") where he ran the loan programs to renovate structures in target areas in New York City. Prior to his work at HPD, he was employed by the New York City Department of Planning. Mr. Bruck earned his master's degree in City Planning from N.Y.U and his bachelor's degree from City College of New York. He resides in New York City.

Dorothy Biondo, Controller. Ms. Biondo has been with TEI for over thirty two (32) years. She started at a time when the accounting department was a very small group that mainly processed payables using a limited computer system. The accounting department that she oversees has a staff of approximately 18 people, including professional, bookkeeping and general accounting clerical personnel who handle all transactions from rent application, payable processing, investor distributions, administration of mortgage and loans payable and receivable, and the ongoing reconciliation and analysis of the general ledger activities for over 300 properties and over 500 U.S. and foreign currency bank accounts that are managed from the TEI home office. Ms. Biondo also works very closely with TEI Canadian counterparts to coordinate the activity and ensure accounting and compliance issues are properly addressed.

Landon Goodman, CPA, is TEI's Chief Financial Officer. Mr. Goodman graduated Cum Laude at SUNY University at Buffalo and has spent the past 16 years in finance. Before joining Time Equities, Inc. as the Chief Accounting Officer, Mr. Goodman spent seven (7) years at Deloitte & Touche, one of the big four accounting firms, as a Manager in the financial services group, auditing public and privately owned asset managers, banks, and real estate companies. Further, Mr. Goodman specialized in IPO readiness for entities in the real estate and mortgage securitization industry. After his tenure at Deloitte, Mr. Goodman joined HC2 Holdings, Inc., a publicly traded diversified holdings company as the Director of Financial Reporting. He was ultimately being promoted to the Controllership office, where he oversaw the accounting, equity, consolidations, and reporting of the results of HC2 Holdings and its subsidiaries on a quarterly and annual basis.

FIDUCIARY DUTIES OF THE MANAGER

The Manager is responsible for the control and management of the Fund and must exercise good faith and integrity in handling Fund affairs. The Manager has a fiduciary responsibility for the safekeeping and use of all funds and assets of the Fund, whether or not in its immediate possession and control, and may not use or permit another to use such funds or assets in any manner except for the exclusive benefit of the Fund. The funds of the Fund will not be commingled with the funds of any other person or entity. The Manager may employ persons or firms to carry out all or any portion of the business of the Fund and has the authority to employ contractors, architects, attorneys, accountants, engineers, appraisers or other persons or entities to assist it in the management and operation of the Fund. Some or all of such persons or entities employed may be Affiliates of the Manager. In addition to those duties and obligations placed upon the Manager by the Operating Agreement, the Manager is accountable to the Members as a fiduciary under

applicable Delaware law. This area of the law is rapidly developing, and investors who have questions concerning the fiduciary duties of the Manager should consult with their own legal counsel.

The Operating Agreement provides that the Manager (and its members, Affiliates, officers, partners, directors, employees, agents and assigns) will not be liable to the Fund or the Members for any act or omission performed or omitted by it in good faith, but will be liable only for fraud, gross negligence or willful misconduct. Members and other holders of Units may, accordingly, have a more limited right of action against the Manager than they would have absent such an exculpatory provision in the Operating Agreement.

The Operating Agreement generally provides for indemnification of the Manager (and its members, affiliates, officers, partners, directors, employees, agents and assigns) and any officers of the Fund by the Fund (to the extent of Fund assets) for any claims, liabilities and other losses that it may suffer in dealings with third parties on behalf of the Fund not arising out of fraud, gross negligence or willful misconduct. In the case of a liability arising from an alleged violation of securities laws, the Manager may obtain indemnification only if: (i) the Manager is successful in defending the action, (ii) the indemnification is specifically approved by the court of law which will have been advised as to the current position of the SEC (as to any claim involving allegations that the Securities Act was violated) or the applicable state authority (as to any claim involving allegations that the applicable state's securities laws were violated), or (iii) in the opinion of counsel for the Fund, the right to indemnification has been settled by controlling precedent. It is the opinion of the SEC that indemnification for liabilities arising under the Securities Act is contrary to public policy and, therefore, unenforceable.

CONFLICTS OF INTEREST

The Manager and its Affiliates may act as the manager of other limited liability companies and the general partner of other partnerships. The Manager and its Affiliates may form and manage additional limited liability companies or other business entities. The Manager and its Affiliates have existing responsibilities and, in the future, may have additional responsibilities to provide management and services to a number of other entities in addition to the Fund. As a result, conflicts of interest between the Fund and the other activities of the Manager and its Affiliates may occur from time to time. The principal areas in which conflicts may be anticipated to occur are described below.

Obligations to Other Entities

Conflicts of interest will occur with respect to the obligations of the Manager and its Affiliates to the Fund and similar obligations to other entities. Moreover, the Fund will not have independent management, as it will rely on the Manager and its Affiliates for all its management decisions. Other investment projects in which the Manager and its Affiliates participate may compete with the Fund for the time and resources of the Manager and its Affiliates. The Manager will, therefore, have conflicts of interest in allocating management time, services and functions among the Fund and other existing partnerships, projects and businesses, as well as any partnerships, projects or business entities which may be undertaken or organized in the future.

Under the Operating Agreement, the Manager is obligated to devote as much time as it, in its sole discretion, deems to be reasonably required for the proper management of the Fund and its assets. The Manager believes that it has the capacity to discharge its responsibilities to the Fund notwithstanding participation in other investment programs and projects.

Interests in Other Activities; Competition with the Fund

The Manager or any of its Affiliates may engage for their own account, or for the account of others, in other business ventures, whether related to the business of the Fund or otherwise, and neither the Fund nor any Member will be entitled to any interest therein solely by reason of any relationship with or to each other arising from the Fund.

Acquisition of Other Investments

The Manager and/or the principals of the Manager may also form additional limited liability companies and other entities in the future to engage in activities similar to and with the same investment objectives as those of the Fund. The Manager or its principals may be engaged in sponsoring other such entities at approximately the same time as the Fund's securities are being offered or its investments are being made. These activities may cause conflicts of interest between such activities and the Fund, and the duties of the Manager concerning such activities and the Fund, with respect to the Primary Loan and Affiliate Loans. The Manager and its Affiliates will have broad discretion regarding Primary Loan and Affiliate Loans. The Manager may face a conflict of interest in allocating the amount to be invested in a particular Investment between the Fund and other competing Affiliates or third party investors, some of which may have the need to fund a replacement property for a 1031 or 1033 like kind exchanges, who would also like to invest in the same property as selected for investment by the Fund. In certain cases, there may be more money to be invested than the amount of capital required for an Investment. This could result in the Fund funding less, or possibly not at all, than what it would have otherwise done if there were not competing investors and/or Affiliates of the Manager for the same funds. The Manager will attempt to minimize any conflicts of interest that may arise among these various activities.

Receipt of Compensation by the Manager and its Affiliates

The payments to the Manager and its Affiliates set forth under "**Compensation to the Manager and its Affiliates**" have not been determined by arm's length negotiations. The Manager and its Affiliates will receive compensation pursuant to agreements that will be negotiated on behalf of the Fund by the Manager and there will not be any independent valuation of such compensation. As a result, the Manager will determine its own compensation and the Members will not have approval rights for such compensation.

Manager's Representation of Fund in Tax Audit Proceedings

Situations may arise in which the Manager may act as Partnership Representative on behalf of the Fund in administrative and judicial proceedings involving the IRS or other enforcement authorities. Such proceedings may involve or affect other entities for which the Manager or its Affiliates may act as the manager. In such situations, the positions taken by the Manager may have differing effects on the Fund and the other entities. Any decisions made by the Manager with respect to such matters will be made in good faith consistent with the Manager's fiduciary duties

both to the Fund and the Members and to any other entities for which the Manager or an Affiliate may be acting as a manager. However, any Member who desires not to be bound by any settlement reached by the Manager may file a statement within the period prescribed by applicable tax regulations stating that the Manager does not have authority to enter into a settlement on his or her behalf.

Legal Representation

Cohan, Rubenstein, Sappol & Sturman PLLC, a New York professional service limited liability company ("***Cohan Rubenstein***") will be paid legal fees for the syndication of the offering, including the preparation of the PIM, subscription and operating agreements and the preparation and submission of the SEC and state filings in the estimated amount of **$97,000.00**. Some of the attorneys that are part of the legal department of TEI are also affiliated with Cohan Rubenstein. Conflicts may arise in the future and if those conflicts cannot be resolved or the consent of the respective parties obtained to the continuation of the multiple representation after full disclosure of any such conflict, said counsel will withdraw from representing one or more of the conflicting interests with respect to the specific matter involved. Each Member acknowledges and agrees that the respective counsel representing the Fund, the Manager and its Affiliates does not represent and will not be deemed under the applicable codes of professional responsibility to have represented or to be representing any or all of the Members in any respect. In addition, one or more attorneys from TEI may make an investment to acquire Units pursuant to the terms of this Offering; provided, however, such investment in Units should not be taken as a representation or opinion concerning the operation of the Fund's business, its future success or any other matter related to the investment by any Member in the Fund.

Possible Loans for the Investment by an Affiliate of the Manager

In certain cases an Affiliate of the Manager, at their sole option, may make a loan to the owner of an Investment, including the co-owners of an Investment, which may be owned by a Tenancy in Common, on a secured or unsecured basis. Such loan may be made on as needed basis to fund capital improvements, leasing costs (tenant improvements and leasing commissions) unbudgeted operating expense and/or working capital. Such loans, to the extent made, will have a short term of generally 1 to 3 years, with an expectation that it will be paid off with permanent financing for such applicable Investment. Also, such loan will generally consist of interest only debt service payments to be paid on a quarterly basis. A conflict of interest could arise between the Manager and the lender for such loans if an event of default occurred under any such loan or if such loan (if not extended) was not timely refinanced and paid off on or prior to its maturity date. To the extent any such loan is secured by a mortgage, then, if such loan is accelerated due to an event of default, such loan could then be foreclosed upon and any such property could be lost.

Conflicts of Interest Between the Manager, Primary Borrower Co-Managers, and the manager of an Affiliate borrower

The Fund's structure involves the Primary Borrower, managed by the same principals as the Fund, distributing loans to various Affiliates, which are independently managed but share common management with the Fund and Primary Borrower. This setup poses inherent conflicts of

interest, particularly where the managers of an Affiliate borrower may prioritize the operational needs or growth opportunities of their Investments over the timely repayment of the Affiliate Loans. Such prioritization could adversely impact the Affiliate's ability to fulfill its loan obligations to the Primary Borrower, subsequently affecting the Primary Borrower's ability to manage its financial commitments to the Fund.

Given that the Primary Borrower is solely responsible for the issuance of Affiliate Loans, decisions made by the Affiliate borrower's managers can significantly influence the liquidity and overall financial health of the Fund. For example, if an Affiliate borrower opts to invest in high-risk, high-potential-return projects, while this could lead to substantial long-term benefits, it may also jeopardize the Affiliate's immediate capability to repay the Affiliate Loan. This scenario could lead to reduced cash flow for the Primary Borrower and, by extension, affect the Fund's financial stability and its ability to meet investor redemptions as planned.

Additionally, the overlapping roles of individuals managing the Fund, Primary Borrower, and Affiliates could lead to decisions that, while beneficial for one entity, might not necessarily align with the interests of the Fund or its investors. This complex interplay of responsibilities requires vigilant oversight and a robust governance framework to ensure that all decisions are made with a view to balancing the interests of all stakeholders, particularly those of the Fund's investors.

The Fund's Manager and the Primary Borrower must manage these conflicts transparently, ensuring that all transactions with Affiliates are conducted at arm's length and in the best interest of the Fund's investors. Ongoing disclosure to investors about how these conflicts are managed will be critical to maintaining trust and alignment with the Fund's objectives.

Resolution of Conflicts of Interest

The Manager has not developed, and does not expect to develop, any formal process for resolving conflicts of interest. However, the Manager is subject to a fiduciary duty to exercise good faith and integrity in handling the affairs of the Fund, which duty will govern its actions in all such matters. See "**Fiduciary Duties of the Manager**". While the foregoing conflicts could materially and adversely affect the Members, the Manager, in its sole judgment and discretion, will attempt to mitigate such potential adversity by the exercise of its business judgment in an attempt to fulfill its fiduciary obligations. There can be no assurance that such an attempt will prevent adverse consequences resulting from the numerous conflicts of interest.

Reimbursement of Expenses

The Manager will be reimbursed by the Fund for all direct costs incurred by the Manager when performing services on behalf of the Fund, and for certain indirect costs allocable to the Fund.

TIME EQUITIES SECURITIES LLC

TES, as the Managing Broker-Dealer, may be expected under applicable securities laws to review this Memorandum to determine if this Memorandum is accurate and complete. TES is an Affiliate of the Manager and will also be paid a fee based on the number of Units sold and its

Affiliates are entitled to receive substantial fees set forth under "**Compensation to the Manager and its Affiliates.**" Consequently, there is an inherent conflict of interest to TES in reviewing this Memorandum.

Conflict as to any Recourse Liabilities

If a Principal of the Manager of the Fund decides, in its sole discretion, to provide any guaranty (including a guaranty of non-recourse carveouts) and/or environmental indemnification on behalf of the owner of an Investment, then such Principal, who provided such guaranty and/or indemnification, must act in their personal best interest to minimize or eliminate any payments by them, which actions may not, at the same time, be in the best interests of the Fund and an Affiliate borrower. In addition, the manager of the owner of an Investment may, in its sole discretion, surrender and/or transfer an Investment through a deed in lieu of foreclosure in exchange for the full or partial release of any recourse liabilities that any such Principal of the Manager may have. This action, although beneficial to the Manager or its principals, may not be in the best interest of the Fund and an Affiliate borrower.

COMPENSATION TO THE MANAGER AND ITS AFFILIATES

The following information summarizes the forms and estimated amounts of compensation (some of which involve cost reimbursements) to be paid by the Fund, or others, to the Manager and its Affiliates. Much of this compensation will be paid regardless of the success or profitability of the Fund. None of these fees were determined by arm's length negotiations. Except as disclosed in this Memorandum, neither the Fund nor any of its Affiliates, directors, officers, employees, agents or counselors are participating, directly or indirectly, in any other compensation or remuneration with respect to the Offering.

Form of Compensation	Description	Estimated Amount of Compensation
Operating Stage:		
SD Fee:	The Fund shall pay an SD Fee equal to 1.50% of the Capital Contributions in the Fund. Such SD Fee shall be calculated and paid in quarterly installments equal to 0.375% of the Capital Contributions of the Fund as of the last day of each calendar quarter.	Impracticable to determine at this time.
Reimbursement of Expenses to Manager:	Reimbursement of reasonable and necessary expenses paid or incurred by the Manager in connection with the operation of the Fund, including any legal and accounting costs (which may	Impracticable to determine at this time.

	include an allocation of salary) and any costs incurred in connection with acquisition of the Investments, including travel, surveys, environmental and other studies and interest expense incurred on deposits or expenses, to be paid from operating revenue.	
Legal Fees:	The Manager and its Affiliates employ in-house attorneys who will receive compensation for their preparation of this Memorandum and the related documents and for their anticipated representation of the Fund with respect to the acquisition and financing of the Investments.	Impracticable to determine at this time, but estimated in the amount of **$100,000.00**.
Accounting Fees:	The Manager and its Affiliates employ an in-house accounting team at TEI to provide accounting services to the Fund. In the event that such services are provided, the Fund will compensate the Manager and its Affiliates at market rates for the services provided.	Impracticable to determine at this time.
Other Fees:	The Manager and its Affiliates (including TEI) may provide services to the Fund that would otherwise be provided by a third party vendor and will receive compensation based on market rates for such services.	Impracticable to determine at this time.

Distributions of Cash From Operations:	The Manager will receive distributions as provided in the Section in the Summary of Offering titled "**Distributions of Cash From Operations**." In addition, the Manager and/or its Affiliates may acquire Units and in such case would receive distributions of Cash From Operations as a Member of the Fund.	Impracticable to determine at this time.
Allocation of Net Profit and Net Loss:	Other than taxable income allocated to the Investors to the extent of cash distributions, all other taxable income and losses shall be allocated to the Manager.	Impracticable to determine at this time.

RETENTION OF A THIRD-PARTY FUND ADMINISTRATOR

The Manager may retain a third-party administrator to provide certain administrative services for the Fund, including but not limited to, those relating to: i) processing subscriptions; ii) payment of commission to broker dealers; iii) the calculation and disbursement of distributions to investors; iv) processing requests for assignment and/or redemption of membership interests; v) management of member changes (e.g.: change of address, distribution method and contact information); vi) OFAC checks for Investors as part of their subscription process, and vii) monitoring the investor portal. It is estimated, but not guaranteed, that the Fund will pay an annual fee to the third party administration of approximately $50,000 (subject to change over the life of the Fund).

DESCRIPTION OF LIMITED LIABILITY COMPANY UNITS

The Units represent equity interests in the Fund and entitle the holder thereof to participate in certain Fund allocations and distributions. Persons who purchase Units from the Fund will become Members in the Fund and will be entitled to vote on certain Fund matters. See "**Summary of the Operating Agreement.**"

The Fund is offering for sale 20,000 Units at $5,000 per Unit.

The minimum investment in the Fund is Five (5) Units ($25,000), except that the Manager may permit certain investors to purchase fewer Units in its sole discretion.

Units may not be freely assigned and are subject to restrictions on transfer by law, by regulation in the state where they are sold, and by the Operating Agreement, and may be subject to restrictions on transfer imposed by lenders. It is not anticipated that a public trading market in the Units will develop. See "**Restrictions on Transferability.**"

RESTRICTIONS ON TRANSFERABILITY

There are substantial restrictions on the transferability of the Units in the Operating Agreement and imposed by state and federal securities laws. Lenders may also impose additional restrictions on the transferability of Units. Before selling or transferring a Unit, a Member must obtain the written consent of the Manager and comply with applicable requirements of federal and state securities laws and regulations, including the financial suitability requirements of such laws or regulations. It is highly unlikely that any market for Units will ever develop and prospective investors should view an investment in Units as solely a long-term investment.

In addition, the Operating Agreement provides that an assignee of the Units may not become a Substituted Member without meeting certain conditions and without consent to such substitution by the Manager, which consent the Manager may withhold in its sole discretion. If an assignee is not admitted to the Fund as a Substituted Member, such assignee will have no right to vote on Fund matters, will have no right to information relating to the Fund's business, and will have no right to participate in the management of the business and affairs of the Fund. Such assignee will only be entitled to receive a share of profits and distributions to which a member would otherwise be entitled. Further, no transfer will be allowed unless the Manager determines that the transfer will not cause the Fund to be "**publicly traded.**" See "**Federal Income Tax**

Consequences.”

The Units offered by this Memorandum have not been registered under the Securities Act or by the securities regulatory authority of any state. The Units may not be resold unless they are registered under the Securities Act and registered or qualified under applicable state securities laws or unless exemptions from such registration and qualification are available.

Appropriate legends setting forth the restrictions on the transfer of the Units will be set out on any certificates representing Units.

SUMMARY OF CERTAIN PROVISIONS OF THE OPERATING AGREEMENT FOR THE COMPANY

The Operating Agreement is the governing instrument establishing the Company's right under the laws of the State of Delaware to operate as a limited liability company and contains the rules under which the Company will be operated. Each prospective investor should read the Operating Agreement in its entirety. Certain provisions of the Operating Agreement are summarized below, but for complete information, reference should be made to the Operating Agreement. All capitalized terms not defined herein shall have the meaning given to such terms in the Operating Agreement.

Organization

The Company has been or will be formed as a limited liability company under the Delaware Limited Liability Company Act (the “***Delaware Act***”). TEI Quarterly Debt Fund Manager LLC, a Delaware limited liability company, will act as the Manager of the Company.

Purposes and Business

The primary purpose of the Company is to: (i) preserve the Investors’ Capital Contributions, (ii) provide the Investors with the Stated Return from cash flow generated by the Primary Loan as defined in Section 3.4.1, and (iii) to have sufficient liquidity to fund redemptions of all or part of an Investor’s Capital Contribution.

Authority of the Company Manager

The Company Manager have the exclusive right and responsibility under the Operating Agreement to conduct the business and affairs of the Company, and they are authorized and empowered to perform all acts that they deem necessary or appropriate to carry on the business of the Company in accordance with the Operating Agreement and applicable law. The Operating Agreement specifically provides, however, that the Company Manager are permitted to cause the Company to: (i) make all decisions as to the Primary Loan to be made to Affiliates; (ii) make all decisions as to the repayment of the Primary Loan, including demands for principal repayments to fund redemptions and the enforcement of the Primary Loan; (iii) determine whether distributions should be made by the Company; (iv) contract with persons for the performance of accounting, management, and legal services; and (v) maintain reasonable reserves as deemed appropriate by the Company Manager.

Indemnification of the Company Manager

The Operating Agreement provides that the Company Manager will not be liable to the Company or the Members for liabilities, costs and expenses incurred as a result of any act or omission of the Company Manager, unless such acts or omissions were performed or omitted fraudulently or in bad faith, constituted gross negligence or an intentional breach of any material provisions of the Operating Agreement. The Operating Agreement also provides that the Company Manager will be indemnified out of the Company assets against any loss, liability or expense arising out of any act or omission by the Company Manager, so long as such conduct was not performed or omitted fraudulently in bad faith, was a result of gross negligence or was an intentional breach of any material provisions of the Operating Agreement.

Action by a Member

In the event a Member elects to bring any action against the Company and/or a Company Manager to enforce any rights a Member may have under the Operating Agreement and the Company or the Company Manager is found to have violated said Member's rights, the Company shall reimburse all of the Member's costs and expenses, including reasonable attorney's fees, incurred in enforcing their rights. In the event a Member elects to bring any action against the Company or the Company Manager to enforce any rights a Member may have under the Operating Agreement and the Company and/or a Company Manager is found to have acted in accordance with their rights, the Member shall reimburse the Company or such Company Manager (if applicable) (or the Company may offset said payment from distributions otherwise due to the Member under the terms of the Operating Agreement) all of the Company's and/or such Company Manager' costs and expenses, including reasonable attorney's fees, incurred in defending their rights.

Limited Liability of Members

Under the Delaware Act and the Operating Agreement for the Company neither a member of a limited liability company nor its Company Manager are personally liable for any debts, obligations or liabilities of the limited liability company solely by reason of being a member or acting as a manager of a limited liability company. Also, a member, under the Delaware Act, is not a proper party to any proceeding by or against a limited liability company, except where the objective of such proceeding is to enforce a member's rights against or liability to a limited liability company or in a derivative action brought under the Delaware Act.

If a creditor has a judgment against a member of a limited liability company under the Delaware Act, the court may charge the membership interest of the member with payment of the unsatisfied amount of the judgment with interest thereon. To the extent so charged, the judgment creditor, under the Delaware Act, has only the beneficial right as an assignee of such membership interest. The Delaware Act does not deprive any limited liability company member of the benefit of any exemption laws (e.g., bankruptcy or insolvency laws) applicable to the member's membership interest.

A member may be liable to the extent of any distribution that, after giving effect to such distribution, the fair value of the remaining assets of the limited liability company was less than

its outstanding liabilities (other than liabilities to other members on account of their interests in the company and liabilities for which the recourse of creditors is limited to specified property of the company). For purposes of this calculation, the fair value of property that is subject to a liability for which the recourse of creditors is limited will be included in the assets of the company only to the extent that the fair value of such property exceeds that liability. A member remains liable for return of any such wrongful distribution for a period of three years after such distribution unless an action to recover the distribution from such member is commenced prior to the expiration of the said 3-year period and an adjudication of liability against such member is made in the said action. Assignment of one's membership interest would not relieve the assignor from any potential liability in connection with the failure to make required capital contributions or the return of such contributions. A substituted member is liable for any obligations of the assignor existing at the time of the transfer, except to the extent that at the time the assignee became a member, the liability was unknown to the assignee, and could not be ascertained from the required records of the limited liability company. Additionally, a substitute member must also have paid a "**reasonably equivalent value**" in order to qualify as an innocent transferee.

No Right to Withdraw Capital Contribution Except For Permitted Redemptions

Except as described in the Redemption Rights Summary, no Member has any further right to withdraw his or her Capital Contribution of Invested Capital from the Company.

Allocation of Company Profits and Losses; Company Distributions

The Operating Agreement contains detailed provisions governing the allocation of Net Profits, Gains, Net Losses and Losses for federal income tax purposes and the distribution of Cash from Operations available for Distribution.

Compensation of the Company Manager

The Company Manager in their capacity as Company Manager of the Company will not receive any salary, fees, profits or distributions except for allocations to which it may be entitled as a Member of the Company.

Other Business of Members

Under the Operating Agreement, any Member may engage independently or with others in other business ventures of every nature and description, including business ventures which compete with the business of the Company and/or the Company Manager. Neither the Company nor any Member will have any right to participate in or to receive any income or proceeds derived from another Member's engaging in any other businesses, and the pursuit of such ventures, even if competitive with the business of the Company or the Company Manager, shall not be deemed wrongful or improper. The Company Manager will not be obligated to present any particular opportunity to the Company or the Members and any Affiliate of the Company Manager will have the right to take for its own account (individually or as a trustee, Member or fiduciary) or to recommend to others any such particular opportunity.

Termination, Dissolution and Liquidation

The Operating Agreement provides that the Company will be dissolved and its affairs wound up upon the first to occur of any of the following events: (i) the date of payment of all outstanding balances to the Company on the Primary Loan and the distribution of such funds to the Members a return of their Capital Contributions; (ii) the unanimous consent of the Company Manager; and (iii) upon the death, bankruptcy, dissolution or withdrawal of the last remaining Company Manager designated in the Operating Agreement, unless the remaining Members, within 180 days after such event or occurrence, unanimously elects to continue the business of the Company.

Amendments

Amendments to the Operating Agreement may be made only upon the unanimous written consent of all Members.

Restrictions on Assignments of Units

If a Member desires to transfer his or her Membership Interest to any person or entity, he or she must first offer the Membership Interest to the Company Manager on the same terms and conditions as are contained in a bona fide written offer of a third party to purchase his or her Membership Interest. Only upon the refusal of the Company Manager to purchase such Member's Membership Interest shall such Member be permitted to sell to the third party. Such sale must occur within ninety days after the expiration of the period during which the Company Manager have the option to purchase as provided in the Operating Agreement.

No assignee of a Membership Interest shall be admitted as a substitute member without the consent of the Company Manager, which consent may be withheld in the sole discretion of the Company Manager. A Member may not pledge or grant a security interest in their Membership Interest without the consent of the Company Manager.

Books and Reports

The Company Manager are required to maintain adequate books and records with respect to the Company's business at the principal office of the Company. The books and records will be maintained for financial accounting purposes in accordance with such methods of accounting as determined by the Company Manager.

Members will be entitled to have access to the books and records of either the Owner and/or the Company as to the Project and/or the Company’s Company Membership Interests in the Owner during reasonable business hours.

Financial information contained in all reports to the Members will be prepared using the accrual method of accounting.

The Company Manager are required to deliver to the Members such information as may be necessary for a Member’s preparation of federal, state or local income tax returns.

Power of Attorney

Each Member will irrevocably appoint and empower the Company Manager as his or her attorney-in-fact to execute, acknowledge and record or otherwise file such documents as are necessary or appropriate to carry out the provisions of the Operating Agreement, including all certificates, agreements and instruments and any other documents necessary or appropriate to: (i) form, qualify or continue the Company as a limited liability company in Delaware; (ii) amend the Certificate of Formation or Articles of Organization of the Company, in accordance with the Operating Agreement for the Company; and (iii) to dissolve or terminate the Company.

Withholding Tax Obligation

When the Company faces a withholding tax obligation due to the interest payments allocated to any Member, the following guidelines will be applied:

(a) Any amount:

(i) withheld from an interest payment intended for such Member, and

(ii) used to meet the withholding tax obligation, shall be deemed, for all intents and purposes, as having been paid to the Member.

(b) If the Company disburses an amount surpassing what was withheld from an interest payment intended for a Member to address the withholding tax obligation, this surplus will be treated as an interest-free advance given to the Member.

Members are obligated to repay amounts regarded as advances to the Company within thirty (30) days after the Company Manager provide a notice demanding such repayment. Any amounts that remain unpaid post this period will accrue interest, compounded monthly, at an annual rate consistent with the Applicable Federal Rate, as defined in Section 1274 of the Code, and applicable to short-term obligations. The Company reserves the authority to recover any outstanding amounts from future interest payments or other funds otherwise due to the Member.

RULE 506(e) OF REGULATION D AS TO "BAD ACTOR" DISQUALIFYING EVENTS

On July 10, 2013, the Securities and Exchange Commission (the "**Commission**") adopted bad actor disqualification provisions for Rule 506 of Regulation D under the Securities Act of 1933, to implement Section 926 of the Dodd-Frank Wall Street Reform and Consumer Protection Act. The disqualification and related disclosure provisions appear as paragraphs (d) and (e) of Rule 506 of Regulation D.

Under Rule 506, these disqualifying events include:

- Certain criminal convictions
- Certain court injunctions and restraining orders

- Final orders of certain state and federal regulators
- Certain SEC disciplinary orders
- Certain SEC cease-and-desist orders
- SEC stop orders and orders suspending the Regulation A exemption
- Suspension or expulsion from membership in a self-regulatory organization (SRO), such as FINRA, or from association with an SRO member
- U.S. Postal Service false representation orders

When a Selling Group Member signs a selling group agreement with TES, as the Managing Broker/Dealer, they are required to notify TES, if they have anyone designated as a "**bad actor**" that is participating in their selling efforts in relation to this Offering. To the extent TES receives such notification prior to Offering Termination Date from any of its Selling Group Members then such disclosure shall be included in an Addendum or Project Supplement to this offering.

FEDERAL INCOME TAX CONSEQUENCES

The following discussion applies only to persons purchasing Units directly from the Fund. Investors should not view the following analysis as a substitute for careful tax planning, particularly because the income tax consequences of an investment in limited liability companies, such as the Fund, are often uncertain and complex. Also, the tax consequences will not be the same for all taxpayers. Investors should be aware that the following discussion necessarily condenses or eliminates many details that might adversely affect some investors significantly.

Certain aspects of the following summary of federal income tax consequences to Members are the subject of an opinion from the Law Office of Daniel A. Schwartzman. The member of such firm is a former employee of TEI. This opinion is based on counsel's interpretation of the Code, Treasury Regulations promulgated thereunder, published rulings of the IRS and court decisions, as these existed at the time the opinion was rendered. An opinion of counsel only represents such counsel's best legal judgment and has no binding effect on the IRS or the courts. Thus, no assurance can be given that the conclusions set forth in such opinion would be sustained by a court, if contested, or that legislative or administrative changes or court decisions will not be forthcoming that would significantly modify the statements and opinions expressed therein. Any such changes may or may not be retroactive with respect to transactions prior to the date of such changes.

The discussion of the tax aspects contained in this Memorandum is based on the Internal Revenue Code of 1986, as amended (the "**Code**"), the regulations thereunder (the "**Regulations**") and judicial and administrative interpretations thereof, all as of the date of this Memorandum. Nonetheless, you should be aware that new administrative, legislative or judicial action could significantly change the tax aspects of the Fund. To the extent Congress makes any changes to the federal income tax laws, the effect of any such changes, are uncertain. Furthermore, many recent changes to the tax law have sunset provisions, and therefore, a number of the benefits of the tax law changes may not be available for the duration of your investment in the Fund.

Counsel will not prepare or review the Fund's income tax information return, which will be prepared by management and independent accountants for the Fund. The Fund will make a

number of decisions on such tax matters, such as the expensing or capitalizing of particular items, the proper period over which capital costs may be depreciated or amortized, and the allocation of acquisition costs between real property improvements and personal property. Such matters will be handled by the Fund, often with the advice of independent accountants retained by the Fund, and will not usually be reviewed with counsel.

There is uncertainty concerning certain of the tax aspects discussed herein, and there can be no assurance that some of the deductions claimed or positions taken by the Fund will not be challenged by the IRS. An audit of the Fund's information return may result in an increase in the Fund's gross income, in the disallowance of certain deductions and in an audit of the income tax returns of the Members, which could result in adjustments to items of income, deduction or credit. Final disallowance of such deductions could adversely affect the Members. In addition, state tax authorities may audit the Fund's tax returns, which could result in unfavorable adjustments for Members. Investors might be faced with substantial legal and accounting costs in resisting a challenge by the IRS to the tax treatment of an investment in the Fund, even if the IRS's challenge proves unsuccessful.

You should not purchase Units solely for the purpose of obtaining tax shelter for income from sources other than the Fund. It is unlikely that the Fund will provide any such tax shelter. Even if, as a Member, you are entitled to deduct your share of the Fund's losses on your personal tax return, any such deductions may be relatively small in relation to the amount invested in the purchase of Units. A portion of the amount invested may be allocated to the purchase of land, which, unlike buildings and other improvements, is not depreciable for income tax purposes, or other nondeductible expenses. You are urged to consult your own tax advisors as to the tax consequences of an investment in Units.

The opinions being issued by counsel in connection with this Offering have been rendered for the Fund's information and assistance with respect to the sale of Units. The opinions are not intended to be used by any taxpayer to avoid penalties, and may not be relied upon to avoid tax penalties. You should consult with your own independent tax advisor with respect to the tax consequences to you of purchasing Units.

Tax Consequences Regarding the Fund

Status as Partnership. Treasury Regulations provide that a limited liability Fund will be classified as a partnership for federal income tax purposes as long as an election is not made to treat the limited liability company as an association taxable as a corporation. The Manager has represented that no such election has been or will be made. Based on this representation, the Fund has received an opinion of counsel that the Fund will be treated as a partnership for federal income tax purposes.

If the Fund is treated as a partnership for federal income tax purposes, each Member will be required to include on their tax return his or her distributive share of the Fund's income, gain, loss, deductions or credits as set forth in the K-1 received by a Member. Consequently, if the Fund has Net Income at the end of the year, each Member will be subject to tax on his or her distributive share of Fund income, whether or not the Fund actually distributes cash in an amount equal to the income or the amount of the tax on such income.

If for any reason the Fund is treated as a corporation for tax purposes, the Fund would be required to pay income tax at the corporate tax rates on its taxable income, thereby reducing the amount of cash available for distribution to Members. In addition, any distribution by the Fund to the Members would be taxable to them as dividends, to the extent of current and accumulated earnings and profits, or treated as gain from the sale of their Fund interests to the extent such distributions exceeded both current and accumulated earnings and profits of the Fund and the Member's tax basis for his or her Units.

Anti-Abuse Rules. Generally, partnerships are not liable for income taxes imposed by the Code. The Treasury Regulations issued under Section 701 of the Code set forth broad "**anti-abuse**" rules applicable to partnerships. These rules authorize the Commissioner of the IRS to recast transactions involving the use of partnerships either to reflect the underlying economic arrangement or to prevent the use of a partnership to circumvent the intended purpose of any provision of the Code. The Manager is not aware of any fact or circumstances relating to the Fund that could cause the Commissioner of the IRS to exercise his authority under these rules. If any of the transactions entered into by the Fund were to be recharacterized under these rules, or the Fund were to be recast as a taxable entity under these rules, it could have a material adverse effect on the Members. The application of the "**anti-abuse**" rules is a question of fact. Consequently, counsel has expressed no opinion on the applicability of the "**anti-abuse**" rules to the Fund.

Limitations on Losses and Credits from Passive Activities. Losses from passive trade or business activities generally may not be used to offset "**portfolio income**", i.e., interest, dividends and royalties, or salary or other active business income. Deductions from passive activities may generally be used to offset income from passive activities. Interest deductions attributable to passive activities are treated as passive activity deductions, and not as investment interest. Thus, such interest deductions are subject to limitation under the passive activity loss rule and not under the investment interest limitation. Credits from passive activities generally are limited to the tax attributable to the income from passive activities. Passive activities include (1) trade or business activities in which the taxpayer does not materially participate, which would include holding an interest as a member, and (2) rental activities. Thus, a Member's share of the Fund's Net Income and Net Loss will constitute income and loss from passive activities and will be subject to such limitation.

Losses (or credits that exceed the regular tax allocable to passive activities) from passive activities that exceed passive activity income are disallowed and can be carried forward and treated as deductions and credits from passive activities in subsequent taxable years. Disallowed losses from an activity, except for certain dispositions to related parties, may be allowed in full when the taxpayer disposes of his or her entire interest in the activity in a taxable transaction.

Certain taxpayers ("**real estate professionals**") can deduct losses and credits from rental real estate activities against other income, such as salaries, interest, dividends, etc. A taxpayer qualifies for this exception to the passive loss rules described above if: (1) more than one-half of the personal services performed by the taxpayer in trades or businesses during a year are performed in real property trades or businesses in which the taxpayer materially participates; and (2) the taxpayer performs more than 750 hours of services during the year in real property trades or businesses in which the taxpayer materially participates. In the case of a joint return, one spouse must satisfy both requirements. A real property trade or business is any real property development,

redevelopment, construction, reconstruction, acquisition, conversion, rental, operation, management, leasing or brokerage trade or business. In determining whether a taxpayer performs more than half of his or her personal services in real property trades or businesses, services performed as an employee are disregarded unless the employee owns more than 5% of the employer. The question of whether the Fund will be engaged in a trade or business is a question of fact. Consequently, counsel has expressed no opinion on this issue.

Allocation of Net Income and Net Loss. Net Income and Net Loss will be allocated as set forth in the Operating Agreement. Although such allocations are permitted under partnership law, the Code and Treasury Regulations require that such allocations satisfy certain requirements. Code Section 702 provides that, in determining income tax, a Member must take into income his or her "**distributive share**" of the Fund's income, gain, loss, deduction or credit. The Members may specially allocate their distributive shares of such profits and losses, thus redistributing tax liability, by provision in the Operating Agreement. However, the IRS will disregard such an allocation, and will determine a Member's distributive share in accordance with the Member's interest in the Fund, if the allocation lacks "**substantial economic effect**".

Treasury Regulations on the allocation of items of partnership income, gain, loss, deduction and credit under Code Section 704(b) are concerned with whether an allocation of partnership tax items has "**substantial economic effect**". Under the Treasury Regulations, an allocation has economic effect only if, throughout the term of the partnership, the partners' capital accounts are maintained in accordance with the Treasury Regulations, liquidation proceeds are to be distributed in accordance with the partners' capital account balances, and any partner with a deficit capital account following the distribution of liquidation proceeds is required to restore the amount of that deficit to the Fund for payment to creditors or distribution to partners in accordance with their positive capital account balances. If the partners' obligations to restore deficit capital account balances is limited, the operating agreement must contain a "**qualified income offset**" provision, as described in the Treasury Regulations.

The Treasury Regulations also require that the economic effect of the allocation be "**substantial**". In general, the economic effect of an allocation is "**substantial**" if there is a reasonable possibility that the allocation will affect substantially the dollar amounts to be received by the partners from the partnership, independent of tax consequences. The economic effect of an allocation is not substantial, however, if, at the time the allocation becomes part of the operating agreement, (1) the after-tax economic consequences of at least one partner may, in present value terms, be enhanced compared to such consequences if the allocation were not contained in the operating agreement, and (2) there is a strong likelihood that the after-tax economic consequences of no partner will, in present value terms, be substantially diminished compared to such consequences if the allocation were not contained in the operating agreement. In determining the after-tax economic benefit or detriment to a partner, tax consequences that result from the interaction of the allocation of such partner's tax attributes that are unrelated to the partnership will be taken into account.

The Treasury Regulations provide that allocations of loss or deduction attributable to nonrecourse liabilities of a partnership ("**nonrecourse deductions**") cannot have economic effect because, in the event there is an economic burden that corresponds to such an allocation, the creditor alone bears that burden. Thus, nonrecourse deductions must be allocated in accordance

with the partners' interests in the partnership. Allocations of nonrecourse deductions are deemed to be made in accordance with the partners' interests in the partnership if, and only if, the following conditions are satisfied:

1. Throughout the full term of the partnership, the partners' capital accounts are maintained in accordance with the Treasury Regulations, and upon liquidation of the partnership, liquidating distributions are required to be made in accordance with the positive capital account balances of the partners.

2. Beginning in the first taxable year in which there are nonrecourse deductions and thereafter throughout the full term of the partnership, the operating agreement provides for allocations of nonrecourse deductions among the partners in a manner that is reasonably consistent with allocations, which have substantial economic effect, of some other significant partnership item attributable to the Investment securing nonrecourse liabilities of the partnership.

3. Beginning in the first taxable year of the partnership in which the partnership has nonrecourse deductions and thereafter throughout the full term of the partnership, the operating agreement contains a "**minimum gain chargeback**", as defined in the Treasury Regulations.

4. All other material allocations and capital account adjustments under the operating agreement are recognized in accordance with the Treasury Regulations.

The Operating Agreement requires that the Members' Capital Account balances be maintained in accordance with the Treasury Regulations. The Operating Agreement contains a "**minimum gain chargeback**" provision, and the nonrecourse deductions are to be allocated under the Operating Agreement in a manner that is reasonably consistent with allocations, i.e., in accordance with allocations of Net Income. Members are not required to restore a deficit Capital Account balance. The Operating Agreement, however, contains a "**qualified income offset**" provision.

Based on the Operating Agreement, counsel is of the opinion that it is more likely than not, if litigated, that the allocations of Net Income and Net Loss as set forth in the Operating Agreement will be deemed to be in accordance with the Members' interests in the Fund and thus will be respected for federal income tax purposes. The question of whether the economic effect of the Fund's allocations is "**substantial**" is inherently factual and depends on facts that are not currently determinable. Counsel, therefore, has not rendered an opinion on whether the Fund's allocations have "**substantial economic effect**".

Transfers of Units. For federal income tax purposes, items of income, gain, loss, deduction or credit of the Fund may be allocated to a Member only if they are received, paid or incurred by the Fund during that portion of the year in which the Member is treated as a partner of the Fund for tax purposes.

If any Member's interest in the Fund changes at any time during the Fund's taxable year, each Member's share of each item of Fund income, gain, loss, deduction and credit is to be determined by using any method prescribed by Treasury Regulations that takes into account the varying interests of the Members in the Fund during the taxable year.

The legislative history concerning this provision indicates that a monthly convention will be provided for by regulation. Under this convention, partners entering on the sixteenth day of the month or later will be treated as entering on the first day of the following month, and partners entering during the first 15 days of the month will be treated as entering on the first day of the month. The regulations may also provide for other conventions and may deny the use of any convention when the occurrence of significant, discrete events (e.g., a large, unusual gain or loss) would mean that use of the convention could result in significant tax avoidance.

The Net Income or Net Loss allocable to any Units transferred during any year will be allocated among the persons who were the holders thereof during such year in proportion to the number of months that each such holder was recognized as the owner of such Units during the year (for the purposes of such allocation, ownership for each month is determined as of the fifteenth day of each month). A holder who purchases a Unit during the first 15 days of a month will receive allocations of Net Income and Net Loss relative to such month. A holder who purchases a Unit on or after the sixteenth day of the month will be treated for income tax allocation purposes as acquiring the Unit on the first day of the following month. The holder of a Unit will be required to report a share of the Fund's Net Income or Net Loss during the period of such holder's ownership on his or her personal income tax return even though the holder receives no distributions with respect to such period of ownership and/or the amount distributed to such holder has no relationship to the amount that he or she is required to report.

Calculation of a Member's Adjusted Basis. Each Member's adjusted basis in his or her Units will be equal to such Member's cash Capital Contributions increased by: (i) the amount of his or her share of the Net Income of the Fund, and (ii) his or her share of nonrecourse indebtedness to which Fund property is subject, if any. A Member's share of nonrecourse liabilities is the sum of: (i) the Member's share of Fund minimum gain; (ii) the amount of any taxable gain that would be allocated to the Member under Code Section 704(c); and (iii) the Member's share of the excess nonrecourse liabilities. The Operating Agreement specifies that the excess nonrecourse liabilities will be allocated in proportion to the outstanding Units.

A Member's basis in his or her Units is reduced, but not below zero, by (x) the amount of the Member's share of Fund Net Loss and expenditures that are neither properly deductible nor properly chargeable to the Member's capital account and (y) the amount of cash distributions received by the Member from the Fund. For purposes of calculating a Member's adjusted basis in his or her Units, any reduction in the amount of Fund nonrecourse indebtedness will be treated as a cash distribution to such Member in accordance with the Member's allocable share of such indebtedness and accordingly will reduce the basis in such Member's Units.

The Treasury Regulations employ an economic risk of loss analysis to determine whether a Fund liability is a recourse or nonrecourse liability and to determine the Members' shares of any liability of the Fund. Under the Treasury Regulations, a Fund liability is a recourse liability to the extent that any partner or related person bears the economic risk of loss for that liability. A Member's share of any recourse liability of the Fund equals the portion, if any, of the economic risk of loss for such liability that is borne by the Member.

A Member bears the economic risk of loss for a Fund liability to the extent that the Member (or a related person) would bear the economic burden of discharging the obligation represented by

that liability if the Fund were unable to do so (reduced by any right of reimbursement). In the case of a limited liability company, such as the Fund, a member generally will not bear the economic risk of loss for any Fund liability because the member has no obligation to contribute additional capital to the Fund.

If no Member bears the economic risk of loss for a Fund liability, the liability is a nonrecourse liability of the Fund. An exception to this rule applies in the case of a member (or related person) who makes a nonrecourse loan to the Fund. In such a case, the lending member or related person is considered to bear the economic risk of loss for such liability.

Permanent loans for the Investments are anticipated to be nonrecourse to the Fund. It is anticipated that the lenders' sole recourse will be the Investments and collateral securing the Investments.

To the extent that a Member's share of Fund Net Loss exceeds the adjusted basis of such Member's Units at the end of the Fund year in which such Net Loss occurs, such excess Net Loss cannot be used in that year by the Member for any purpose, but is allowed as a deduction at the end of the first succeeding Fund taxable year, and subsequent Fund taxable years, to the extent that the adjusted basis of such Member's Units at the end of any such year exceeds zero (before reduction by such excess Net Loss from a prior year).

Treatment of Cash Distributions from the Fund. The Operating Agreement provides for cash distributions resulting from operations of the Fund. Cash distributions (including for federal income tax purposes, a Member's share of any reduction in nonrecourse indebtedness) made to a Member, other than those made in exchange for or in redemption of all or part of a Member's Units, will generally not affect the calculation of a Member's distributive share of Net Income or Net Loss from the Fund. Such distributions are generally first applied against and reduce the Member's adjusted basis in his or her Units. To the extent that such distributions are so applied against and reduce the adjusted basis of the Member's Units, they will not give rise to a realization of income, gain or loss by the Member. Cash distributions in excess of a Member's adjusted basis in his or her Units will result in the recognition of gain to the extent of such excess. Ordinarily, any such recognized gain will be treated as gain from the sale or exchange of a Unit. See "**Treatment of Gain or Loss on Disposition of Units**" below.

Net Income in Excess of Cash Distributions. It is possible that a Member's share of the Fund Net Income may exceed the cash distributed to the Member with respect to his or her Units and such Member's tax liability on that share may even exceed such distribution.

Treatment of Liquidating Distributions. Generally, upon liquidation or termination of the Fund, gain will be recognized by a Member only to the extent that cash is distributed (including the Member's share of any reduction in Fund nonrecourse liabilities) in excess of such Member's adjusted basis in his or her Units at the time of distribution.

Treatment of Gain or Loss on Disposition of Units. It is not expected that any public market will develop for the Units. Furthermore, Members may not be able to liquidate their Units promptly at reasonable prices because any transferee of Units will be required to comply with the minimum purchase requirements and the investor suitability requirements imposed by the

transferee's state of residence or by the Fund and because all assignees of Units may be admitted as Substituted Members only with the consent of the Manager.

Any gain or loss realized by a Member upon the sale or exchange of Units will generally be treated as capital gain or loss, provided that such Member is not deemed to be a "**dealer**" in such securities. However, any portion of the gain that is attributable to unrealized receivables (which includes, for these purposes, depreciation recapture attributable to the Investments) or inventory items will generally be treated as ordinary income. If the Member's holding period for the Units sold or exchanged is more than one year, the portion of any gain realized that is capital gain will be treated as long-term capital gain.

A transferor Member must notify the Fund of a sale or exchange of his or her Units involving unrealized receivables or inventory. Once the Fund is so notified, it must report to the IRS the transferor and the transferee on the sale or exchange. Penalties will apply to the failure by the transferor partner to report to the Fund, and the failure by the Fund to report to the IRS the transferor and the transferee.

In determining the amount realized upon the sale or exchange of Units, a Member must include, among other things, the Member's share of Fund indebtedness. Therefore, it is possible that the gain realized on a Member's sale of Units may exceed the cash proceeds of the sale, and, in some cases, the income taxes payable with respect to the gain realized on the sale may exceed such cash proceeds.

Treatment of Gifts of Units. Generally, no gain or loss is recognized for federal income tax purposes as a result of a gift of property. However, if a gift (including a charitable contribution) of a Unit is made at a time when a Member's share of the Fund's nonrecourse indebtedness exceeds the adjusted basis of his or her Units, such Member may recognize gain for income tax purposes upon the transfer. Such gain, if any, will generally be treated as capital gain except for the portion of any such gain attributable to any unrealized receivables (which includes, for these purposes, depreciation recapture attributable to the Fund property) or inventory items (which will include Investments held for resale) of the Fund, which will generally be treated as ordinary income. Gifts of Units may also be subject to a gift tax imposed pursuant to the rules generally applicable to all gifts of property.

Sale or Other Disposition of Fund Assets. In general, if the Primary Loan constitutes capital assets in the hands of the Fund, any profit or loss realized by the Fund on a sale or exchange (except to the extent that such profit represents depreciation recapture taxable as ordinary income) will be treated as capital gain or loss under the Code. Capital gain that is equal to or less than past depreciation (other than ordinary income recapture) taken on an Investment will be taxed to individuals at 25%. Any additional capital gain attributable to assets held more than 12 months will generally be taxed to individuals at 20%. If, however, it is determined that the Fund is a "**dealer**" in real estate for federal income tax purposes, the gain or loss will not be capital gain or loss.

If the Fund is deemed a "**dealer**" and the Primary Loan is not considered to be capital assets or Code Section 1231 assets, any gain or loss on the sale or other disposition of the Primary Loan or the assets of the Company would be treated as ordinary income or loss. It is anticipated

that the Fund will hold the Primary Loan for investment purposes. In the event the Fund holds the Primary Loan for resale, it is likely that Fund will be deemed a "**dealer**" with respect to the Primary Loan held for resale and that income derived from the sale of the Primary Loan will be taxed as ordinary income. The question of "**dealer**" status is a question of fact to be determined at the time of the sale of the Primary Loan. Consequently, counsel has expressed no opinion on this issue.

If the assets sold or involuntarily converted constitute Code Section 1231 assets, a Member would combine his or her distributive share of Fund gains or losses attributable to such assets with any other Code Section 1231 gains or losses realized by such Member in that year, and the resultant net Code Section 1231 gains or losses would be taxed as capital gains or constitute ordinary losses, as the case may be. This treatment may be altered depending on each Member's disposition of Code Section 1231 property over several years. In general, net Code Section 1231 gains are recaptured as ordinary income to the extent of net Code Section 1231 losses in the five preceding taxable years.

In determining the amount realized upon the sale, exchange or other disposition of the Assets of the Company, the Fund must include, among other things, the amount of any liability to which the Investments are subject. Furthermore, the Fund may take back purchase money obligations as part of the consideration for the sale of the Primary Loan. The Manager of the Fund may try to structure any such sale so as to qualify as an "**installment sale**" for federal income tax purposes, but there can be no assurance that any such sale could or would so qualify. Unless such sale qualifies as an "**installment sale**", the Fund would generally be deemed to have received as proceeds of such sale the fair market value of such purchase money obligations.

Thus, the Fund's gain on the disposition of any such assets or the Primary Loan may exceed the cash proceeds, if any, of such disposition, and in some cases the income taxes payable by the Members with respect to such gain may exceed the cash proceeds, if any.

Dissolution. A dissolution of the Fund pursuant to state law prior to expiration of its term should not by itself create tax consequences for the Members unless the dissolution is followed by a liquidation of the Fund. Such dissolution and liquidation might create adverse tax and economic consequences for the Fund. For example, if, as a result of a dissolution, the Fund were required to liquidate the Fund's property or assets during a limited period of time, the Fund might sustain substantial economic losses based on the original cost of the Investment. Nevertheless, the Fund might realize substantial taxable gain on such disposition as a result of the use of borrowing in connection with acquisition of the Fund property. See "**Sale or Other Disposition of Fund property**" above.

Tax Elections. The Manager may make certain elections for federal income tax reporting purposes that could result in various items of Fund income, gain, loss, deduction and credit being treated differently for tax and Fund purposes than for accounting purposes.

The Code provides for optional adjustments to the basis of Fund property for purposes of measuring gain upon distributions of Fund property (Code Section 734) and transfers of Units (Code Section 743) provided that a Fund may make an election pursuant to Code Section 754. The general effect of such an election would be that transferees of Units are treated, for purposes of computing gain, as though they had acquired a direct interest in the Fund assets, and the Fund is

treated for such purposes, upon certain distributions to partners, as though it had newly acquired an interest in the Fund's assets and therefore acquired a new cost basis for such assets. Any such election, once made, is irrevocable without the consent of the IRS.

As a result of the complexities and added expense of the tax accounting required to implement such an election, the Manager does not presently intend to make such an election, although it is empowered to do so by the Operating Agreement. Therefore, any benefits that might be available to the Members by reason of such an adjustment to basis will be foreclosed. In addition, a Member may have greater difficulty selling Units because the purchaser will obtain no current tax benefits from the investment to the extent that such investment exceeds his or her allocable share of the Fund's basis in its assets and will be required to recognize taxable income to the extent of such excess, even though the purchaser does not realize any economic profit.

Accrual Method of Accounting. Code Section 461(a) provides that the amount of any deduction allowed under the Code will be taken for the taxable year that is the proper taxable year under the method of accounting used in computing taxable income. The Fund, subject to Code Section 446(b), which provides the IRS with authority to require the use of an accounting method that clearly reflects income, is required to use the accrual method of accounting pursuant to Code Section 448. The Fund will use the accrual method of accounting in calculating its income. In general, an accrual-basis taxpayer may deduct an expense in the year that his or her obligation for the payment is absolutely fixed and the amount thereof can be determined with reasonable accuracy. The liability must also be binding and enforceable, and there must be reasonable belief on the part of the debtor that the liability will be paid and there must be economic performance of the particular item or transaction underlying the liability and deduction. If the liability arises out of another person's providing services to the Fund, economic performance occurs as the services are provided. If the liability arises out of another person's providing property to the Fund, economic performance occurs as the property is provided. If the liability arises out of the Fund's use of property, economic performance occurs as the Fund uses the property. If the liability requires the Fund to provide property or services, economic performance occurs as the Fund provides the property or services. If the IRS determines that the accounting method used by the Fund does not clearly reflect income, the income of the Fund, and consequently the Members, could be substantially and adversely impacted.

The Fund will not be able to change its method of accounting in the future without the consent of the IRS, unless the Fund qualifies as a small-business taxpayer exemption. If the Fund does not qualify for the small-business taxpayer exemption, the IRS can withhold its permission and, even if it granted permission for a change in accounting method, the IRS may require conditions and adjustments to the Fund's income that could be disadvantageous to the Members.

Fund Tax Returns. The federal income tax returns of the Fund may be audited by the IRS or local taxing authority to which the tax returns have been filed and such an audit may result in adjustments to the various items reported by the Fund. For example, various deductions claimed by the Fund on its returns of income could be disallowed in whole or in part on audit, thereby resulting in an increase in the Net Income or a reduction in the Net Loss of the Fund. The disallowance of such deductions in whole or in part could increase a Member's taxable income without the receipt of any additional cash distributions from the Fund.

The IRS has shifted the focus of its audits from the partner level to the Fund level. Members may be bound by actions taken by the Manager at the Fund level during the course of an audit.

Payments to the Manager and its Affiliates. The Manager and its Affiliates will receive various fees described elsewhere in this Memorandum. The tax treatment of the significant fees is set forth below.

The Fund will reimburse the Manager for actual costs incurred in furnishing certain administrative services and facilities to the Fund, including accounting, data processing, duplication, transfer agent expenses, professional fees, recording, and communication expenses. The allocation of such costs between deductible expenses and nondeductible expenses will depend upon a determination to be made when such costs are actually incurred in the future, and counsel has expressed no opinion on the deductibility of such costs.

In addition, there are additional limits on the deductibility of payments between related parties. No deduction is allowed for a payment by an accrual basis taxpayer to a related cash basis recipient until such time as the recipient includes the payment in income. The definition of related party for purposes of this provision includes a partnership and any partner in the partnership. The Fund will be on the accrual method of accounting. Therefore, if the Fund accrues liabilities to related parties that are on the cash basis, no deduction will be allowed until payment to the related party is actually made.

Pre-Opening and Syndication Expenses

The IRS takes the position that, with the exception of costs relating to deductions under Code Sections 163 (interest), 164 (taxes), and 165 (losses), all costs incurred by a company before it begins operations should be capitalized under Code Section 263.

Regulations under Code Section 195 deem a taxpayer to have made an election to deduct, for the taxable year in which an active trade or business begins, an amount equal to the lesser of start-up expenses or $5,000. A start-up expenditure eligible for such deduction must be paid or incurred in connection with investigating the creation or acquisition of an active trade or business or paid or incurred in connection with creating an active trade or business. The $5,000 amount is reduced (but not below zero) by the amount by which the start-up expenditures exceed $50,000. The remaining start-up expenditures are amortized over 180 months beginning with the month in which the active trade or business begins. Such amounts must also be of a type which, if paid or incurred in connection with the expansion to an existing trade or business in the same field, would be allowable as a current deduction in the year paid or incurred. In the case of the Fund, the eligibility for the election to amortize is made at the Fund level.

Syndication expenses, however, may not be deducted currently nor amortized. The determination as to whether expenses are start-up organization expenses or syndication expenses is a factual determination which will initially be made by the Fund. The IRS could challenge the Fund's allocations between organization and syndication expenses. Consequently, expenses that are treated as subject to amortization could be recharacterized as nondeductible syndication expenses.

QBI

The TCJA enacted section 199A, which provides for a new deduction of up to 20 percent of qualified domestic business income ("**QBI**") for pass through entities such as sole-proprietorships, partnerships, S-corporations, trusts, or estates. For any tax year, QBI is the net amount of items of income, gain, deduction, and loss with respect to any qualified business of the taxpayer. Qualified items of income, gain deduction, and loss include such items that are effectively connected with the conduct of a U.S. trade or business and are included in determining the business's taxable income for the tax year. A qualified business specifically excludes service trade or business including, health, law, accounting, performing acts, consulting, financial services, and broker services. It is anticipated that the Funds' business will be a qualified business for the 199A deduction.

Certain investment items are excepted from QBI, including short-term and long-term capital gains and losses, dividends, and interest income not properly allocable to a trade or business. QBI also does not include reasonable compensation payments to a taxpayer for services rendered to a qualified business, guaranteed payments to a partner for services rendered to a business, and, to the extent provided in regulations, a Sec. 707(a), payment to a partner for services rendered to the business (Sec. 199A(c)). A taxpayer's QBI deduction is limited to 20% of the taxpayer's taxable income in excess of any net capital gain. The combined QBI amount is the sum of the deductible QBI amounts for each of the taxpayer's qualified businesses. The deductible QBI amount of a qualified business is generally 20% of its QBI, but the deductible QBI amount may be limited (1) by a wage and capital limitation and/or (2) when the business is a specified service trade or business. The calculation of a Member's Sec. 199A deduction depends on whether the taxpayer's taxable income is (1) below a lower taxable income threshold ($157,500, or $315,000 if filing a joint return), (2) above a higher taxable income threshold ($207,500, or $415,000 if filing a joint return), or (3) between the lower and higher taxable income thresholds.

If a Member has taxable income above the higher taxable income threshold and owns a business that is not a specified service trade or business, the QBI deductible amount for the business is subject to a limitation based on W-2 wages and/or capital (capital here is measured as the unadjusted basis of certain business assets) (Sec. 199A(b)(2)(B)). The deductible QBI amount for the business is equal to the lesser of (1) 20% of the business's QBI, or (2) the greater of: (a) 50% of the W-2 wages for the business, or (b) 25% of the W-2 wages plus 2.5% of the business's unadjusted basis in all qualified property.

For partners in a partnership, the determination of QBI and any limitations on the deduction apply at the partner level. To the extent a Member claims the 199A deduction, the information needed for computing the deduction is determined by the Fund. The Fund must report the information to the Member to compute the deduction on the K-1 received from the Fund.

General Considerations

At-Risk Rules. A Member that is an individual or closely held corporation will be unable to deduct his or her distributive share of Fund Net Loss, if any, to the extent such Net Loss exceeds the amount such Member has "**at risk**". A Member's initial amount at risk will equal the sum of: (i) the amount of money invested by the Member in the Fund, (ii) the basis of any property

contributed by such Member to the Fund, and (iii) the amount of borrowed funds used in Fund activities to the extent that the Member is personally liable with respect to such indebtedness.

A Member can include in the amount at risk such Member's share of qualified nonrecourse financing if the Fund holds real property. It is anticipated that the loans will be considered qualified nonrecourse financing and therefore the Members should be considered "**at risk**" for the Member's share of the loans. However, if the actual terms are not as anticipated, the Members may not be able to use the loans in their "**at risk**" basis.

A Member's amount at risk will be reduced by the amount of any cash distributed to such Member and the amount of Net Loss allocated to such Member, and will be increased by the amount of Net Income allocated to such Member. Net Loss not allowed under the at-risk rules may be carried forward to subsequent taxable years and used when the amount at risk increases.

Alternative Minimum Tax. Taxpayers may be subject to the alternative minimum tax in addition to the regular income tax. The alternative minimum tax applies to designated items of tax preference. For more information concerning tax preferences and the alternative minimum tax, Investors should consult your own tax advisors.

Activities Not Engaged in for Profit. Under Code Section 183, certain losses from activities not engaged in for profit are not allowed as deductions from other income. The determination of whether an activity is engaged in for profit is based on all the facts and circumstances, and no one factor is determinative, although the Treasury Regulations indicate that an expectation of profit from the disposition of property will qualify as a profit motive. Code Section 183 contains a presumption that an activity is engaged in for profit if income exceeds deductions in at least 3 out of 5 consecutive years. There can be no assurance that the Fund will be found to be engaged in an activity for profit due to the fact that the applicable test is based on the facts and circumstances existing from time to time.

The IRS is paying increased attention to the application of Code Section 183 to partnerships. Moreover, the Tax Court has accepted the argument by the IRS that Code Section 183 applies to the activities of a Fund (rather than the partner) and that the provisions of Code Section 183 are applied at the Fund level. The Fund intends to conduct all operations in a businesslike manner in order to generate a profit from operations and sale of the Investments. In the event Code Section 183 were applied with respect to the Units of a Member, a substantial portion of the tax benefits associated with this Offering would be eliminated.

Based on the Fund's objectives, the Manager's representations regarding the Fund's business motives and counsel's review of the proposed activities of the Fund, although the issue is basically factual, in counsel's opinion, it is more likely than not that, if litigated, the Fund will be held to be engaged in a business for profit and not be subject to Code Section 183.

General Limitations on the Deductibility of Interest. In addition to the limitations on the deductibility of interest incurred in connection with passive activities, the following are additional restrictions on the deductibility of interest:

<u>Prepaid Interest</u>. The Fund does not anticipate prepaying any interest, but the Fund anticipates that it will pay certain amounts commonly referred to as "**points**", which may be

considered prepayments of interest for federal income tax purposes. Interest prepayments (including "**points**") must be capitalized and amortized over the life of the loans with respect to which they are paid. See also "**Tax Consequences Regarding the Fund – Accrual Method of Accounting**" above.

Interest Incurred to Carry Tax-Exempt Obligations. Code Section 265(a)(2) disallows any deductions for interest paid by a taxpayer on indebtedness incurred or continued for the purpose of purchasing or carrying tax-exempt obligations (collectively, "**Tax-Exempt Obligations**"). The IRS announced in Revenue Procedure 72-18, 1972-1 C.B. 740, that the prescribed purpose will be deemed to exist with respect to indebtedness incurred to finance a "**portfolio investment**". The Revenue Procedure further states that while a partnership's purpose in incurring indebtedness will be attributed to its manager, a partnership interest will be considered a "**portfolio investment**". Therefore, in the case of a Member owning Tax-Exempt Obligations, the IRS might take the position that the Member's allocable portion of the interest incurred by the Fund on its borrowings or of any interest incurred by the Member to purchase his or her Units in the Fund should be viewed as incurred to enable the Member to continue to carry Tax-Exempt Obligations, and that such Member should not be allowed to deduct his or her full allocable share of such interest. The application of Code Section 265(a)(2) turns upon each individual Member's purpose for acquiring an interest in the Fund. Thus, Code Section 265(a)(2) might be applied to a Member whose purpose for investing in the Fund rather than in a non-leveraged investment is to enable such Member to continue to carry Tax-Exempt Obligations. It should be noted that Code Section 7701(f) directs the IRS to prescribe regulations as may be necessary or appropriate to prevent the avoidance of provisions of the Code that deal with the linking of borrowing to investments through the use of related persons, pass-through entities or other intermediaries. Therefore, the provisions of Code Section 265(a)(2) may be applied to a Member if the Member does not himself own Tax-Exempt Obligations but rather such obligations are owned by a person, entity or other intermediary related to the Member.

Excess Business Losses

The TCJA amended section 461 to include a provision that disallows "excess business losses" for taxpayers from a pass-through entity. "**Excess business losses**" means an overall loss in excess of $500,000 for married individuals filing jointly or $250,000 for other individuals. Any excess business loss is treated as a net operating loss ("**NOL**") and carried forward to subsequent years. The Excess Business Loss ("**EBL**") rule is applied after the application of the passive loss rules. An individual member of the Fund would need to consider the various loss disallowance rules in the following order of priority:

(i) Limitations based on the taxpayer's tax basis in the entity;
(ii) At-risk limitation;
(iii) Passive activity loss limitation; and
(iv) (EBL limitation.

Accuracy-Related Penalties and Interest

All penalties relating to the accuracy of tax returns are now consolidated into a single accuracy-related penalty equal to 20% of the portion of the underpayment to which the penalty

applies. The penalty applies to any portion of any understatement that is attributable to: (i) negligence or disregard of rules or regulations, (ii) any substantial understatement of income tax, or (iii) any substantial valuation misstatement.

Negligence is generally any failure to make a reasonable attempt to comply with the provisions of the Code and the term "**disregard**" includes careless, reckless or intentional disregard. Counsel for the Fund is rendering an opinion with respect to the treatment of the Units for income tax purposes. However, the opinion is not intended to be used by any taxpayer to avoid penalties, and may not be relied upon by the investors in Units to avoid penalties. Each investor should consult with his or her own independent tax advisor.

A substantial understatement of income tax generally occurs if the amount of the understatement for the taxable year exceeds the greater of: (i) 10% of the tax required to be shown on the return for the taxable year or (ii) $5,000. In the case of a C corporation, the amount is $10,000.

A substantial valuation misstatement occurs if the value of any property (or the adjusted basis) is 150% or more of the amount determined to be the correct valuation or adjusted basis. The penalty doubles if the Investment's valuation is misstated by 200% or more. No penalty will be imposed unless the underpayment attributable to the substantial valuation misstatement exceeds $5,000.

Except with respect to "**tax shelters**", an accuracy-related penalty will not be imposed on an underpayment attributable to negligence, a substantial understatement of income tax or a substantial valuation misstatement if it is shown that there was a reasonable cause for the underpayment and that the taxpayer acted in good faith. A "**tax shelter**" includes a partnership if a significant purpose of the partnership is the avoidance or evasion of tax.

In addition to the penalties described above, a new penalty has recently been added with respect to understatements resulting from listed or reportable transactions. A reportable transaction is a transaction that the IRS has identified as having the potential for tax avoidance or evasion. A listed transaction is a reportable transaction which the IRS has specifically identified as a tax avoidance transaction. The penalty is equal to 20% of the portion of the underpayment to which the penalty applies if the taxpayer disclosed the understatement and 30% of the portion of the underpayment to which the penalty applies if the taxpayer did not disclose the understatement. A taxpayer may avoid the payment of the penalty if: (i) there was reasonable cause for the understatement and the taxpayer acted in good faith, (ii) the relevant facts affecting the taxpayer's tax treatment were adequately disclosed, (ii) there is, or was, substantial authority for the taxpayer's treatment of the item, and (iv) the taxpayer reasonably believed that the treatment of the items on the return was more likely than not proper. A taxpayer may not rely on the opinion from a disqualified advisor. A disqualified advisor is an advisor that participated in the preparation of documents that: (1) establish a partnership, (2) describe the transaction or (3) relate to registration of the transaction with any government body. The opinion received by the Fund was given by a disqualified advisor and such opinion was not intended to be used by any taxpayer to avoid tax penalties. As a result, investors in Units will not be allowed to rely on such opinion in the event such penalty applies. In addition, in the event the Units are determined to be a reportable transaction, and the taxpayer fails to include information regarding such reportable transaction, the

taxpayer will be subject to a penalty in the amount of $10,000 if the taxpayer is an individual and $50,000 in any other case. In the event the Units are determined to be a listed transaction, the penalty increases to $100,000 in the case of an individual and $200,000 in any other case.

The tax opinion being issued to the Manager with respect to the Units was prepared by a disqualified tax advisor. As a result, the Members may not rely on such opinion to avoid the payment of penalties.

Health Care and Affordability Reconciliation Act of 2010

Under the Health Care and Affordability Reconciliation Act of 2010, for each tax year beginning after December 31, 2012, a taxpayer who is an individual will be assessed an additional tax equal to 3.8% of the lesser of: (a) the taxpayer's "**net investment income**" for the taxable year, or (b) the excess of (x) the taxpayer's modified adjusted gross income for the taxable year over (y) (1) for a taxpayer filing jointly with a spouse (or for a surviving spouse), $250,000, or (2) for married taxpayer filing a separate return, $125,000, or (3) in any other case, $200,000. For purposes of the additional tax, "**net investment income**" includes, among other things: (i) net income in the form of interest from dividends, annuities, royalties and rents that do not arise in the ordinary course of a trade or business (but including net income from a trade or business that is a passive activity with respect to the taxpayer or a trade or business of trading in financial instruments or commodities); and (ii) net gains (to the extent taken into account in computing taxable income) on the disposition of property other than property held in a trade or business (but including net gains realized on the disposition of property held a trade or business that is a passive activity with respect to the taxpayer or a trade or business of trading in financial instruments or commodities).

Carried Interests

Under the TCJA, a new section 1061 to the code was added to adopt a three (3) year holding (rather than the normal one year holding period) for long term capital gain treatment for gain attributable to an applicable partnership interest commonly referred to as "**carried interests**". The Tax Act applies to gain allocated to a partner with respect to an applicable partnership interest to the extent attributable to sales of assets held by a partnership for three years or less.

An "**applicable partnership interest**" generally is an interest in a partnership (including a limited liability company taxed as a partnership) transferred to the taxpayer in connection with the performance of substantial services by the taxpayer in an "applicable trade or business". Most likely, this would not apply to any Member who does not receive a membership interest in the Fund in excess of their capital contribution. However, this could apply to the Manager, its affiliates, and its principals.

To the extent these carried interest provisions apply to the Manager and its principals, then it may encourage them to retain the partnership or membership interests acquired by the Fund for at least three years in order to receive capital gains for their carried interests.

These carried interest provisions of the TCJA does not generally alter the business plan for

the Fund since it is anticipated, but not guaranteed, that a Loan made by the Fund for investment in a particular Investment would generally be acquired to hold that investment for three years or more years. To the extent the Manager receives an offer to purchase a Loan prior to the expiration of this three year holding period, then this could create a conflict of interest for the Manager since, if the applicable Loan were sold prior to the expiration of this three year holding period, they might not be able to obtain capital gains treatment as to their carried interest. Alternatively, the sale of the Primary Loan, based on the distribution formula for the Fund, may not produce any carried interest distributions to the Manager and its principal, thereby potentially negating any such potential conflict of interest.

United States Income Tax Considerations For Foreign Investors

The federal income tax treatment applicable to a nonresident alien or foreign corporation investing in the Fund is highly complex and will vary depending on the particular circumstances of such investor and the effect of any applicable income tax treaties. Each foreign investor should consult his or her own tax advisor as to the advisability of investing in the Fund. The federal income tax treatment will generally depend on whether the Fund is deemed to be engaged in a United States trade or business. This determination must be made annually. The Code does not define what constitutes a United States trade or business; rather, this determination is based upon an examination of the facts and circumstances attending the Fund's operations and activities. The question of whether the Fund will be engaged in a trade or business is a question of fact. Consequently, counsel has expressed no opinion on this issue.

United States Withholding Tax on United States Source Income Not Derived in a United States Trade or Business. If the Fund is not engaged in any trade or business during a tax year, a foreign investor would be subject to a 30% withholding tax (subject to reduction or elimination by applicable income tax treaties) with respect to its distributive share of certain items of Fund gross income, such as United States source interest, dividends, rents and other portfolio or investment income. Various statutory exemptions from the 30% withholding tax (or a lower treaty rate) apply to interest income from bank deposits and certain portfolio indebtedness and the 30% withholding tax may be reduced by income tax treaties. A foreign investor who is entitled to income tax treaty benefits may claim such benefits by executing and filing with the Fund an initial Form W-8BEN (Certificate of Foreign Status of Beneficial Owner for United States Tax Withholding) in a timely manner. In such instance, the Fund will require that a foreign investor properly execute and provide to the Fund a Form 2848 (Power of Attorney and Declaration of Representative), which will enable the Fund to complete Form W-8BEN for future years on behalf of the foreign investor. If a foreign investor claims a reduction in the 30% withholding tax in reliance on an income tax treaty, the investor may be required to disclose the claimed reduction in its United States income tax return or, if no return is filed, on Form 8833 (Treaty-Based Return Position Disclosure Under Code Section 6114 or 7701(b)).

If the foreign investor's share of Fund capital gain is not effectively connected with the foreign investor's conduct of a United States trade or business and the foreign investor, in the case of an individual, is not physically present in the United States for 183 days or more during a taxable year, the capital gain will not be subject to United States tax. However, if the capital gain is attributable to a sale or disposition of United States real property, the gain will be treated as effectively connected with a United States trade or business. See "**Withholding on Dispositions**

of United States Real property Interests" below. If the foreign investor's share of Fund capital gain is United States source income and is derived by an individual foreign investor who is physically present in the United States for an aggregate of 183 days or more during a taxable year, the gain, net of United States source capital losses, will be subject to a flat 30% withholding tax (subject to reduction or elimination by an applicable income tax treaty).

Tax Consequences to Foreign Investors if the Fund is Engaged in a United States Trade or Business. If in any year the Fund is deemed to be engaged in a United States trade or business, a foreign investor will also be considered to be engaged in a United States trade or business. Thus, the investor would be required to file a United States federal income tax return and would be subject to tax at graduated rates on its distributive share of net income from the Fund that was "**effectively connected**" with such trade or business. In determining the investor's United States taxable income, the investor would be permitted the same deductions allowed a United States resident individual or corporation to the extent the deductions are effectively connected with a United States trade or business. However, a prerequisite to receiving the benefit of deductions is the filing of a true and accurate United States income tax return. Any Fund losses that are not effectively connected with a United States trade or business would not be deductible from the investor's United States source income. Additionally, foreign investors may be subject to federal and state estate, inheritance or gift taxes, state and local income taxes and to the alternative minimum tax.

If a foreign investor is subject to United States income tax on its distributive share of Fund income at regular United States rates and is required to file United States income tax returns, such foreign investor's share of Fund taxable income is not subject to the 30% withholding tax discussed above, provided the foreign investor completes and files in duplicate with the Fund Form W-8ECI (Certificate of Foreign Person's Claim for Exemption from Withholding on Income Effectively Connected with the Conduct of a Trade or Business in the United States). This form must be filed with the Fund before the acceptance by the Fund of the subscription of such foreign investor and annually thereafter for each year in which the foreign investor is a Member.

If the Fund has "**effectively connected**" income that is allocable to a foreign investor, then the Fund must pay a federal withholding tax, presently equal to 30%, and any applicable state withholding of the adjusted "**effectively connected**" taxable income that is allocable to that foreign investor.

If a foreign Member has filed a Form W-8ECI to claim exemption from the 30% withholding, that Member is deemed to have "**effectively connected**" income subject to withholding. The Fund must make installment payments of withholding tax based on the amount of effectively connected income allocable to its foreign Members, without regard to whether distributions are made during the Fund's taxable year and the foreign Members' distributive share of the Fund's tax credits. The foreign Member's share of any withholding tax paid by the Fund will be treated as distributed to that Member on the earlier of the day on which the tax is paid by the Fund or the last day of the Fund's tax year for which the tax is paid and will reduce the foreign Member's adjusted basis in his or her Units. Amounts paid by the Fund will be treated as loans by the Fund to the foreign Member and will be subject to an interest charge equal to the Prime Rate. The amount of the loan and interest charge will be offset against the foreign Member's share of cash distributions. Withholding is not required on any amount subject to the 30% withholding

discussed earlier. The amount withheld attributable to a foreign Member is creditable against the United States income tax liability of that foreign Member subject to certain limitations. Withholding is not required with respect to a particular Member if that Member provides a valid Form W-9, "**Request for Taxpayer Identification Number and Certification"**.

For tax treaty purposes, a foreign Member may be deemed to have a "**permanent establishment**" in the United States for any year in which the Fund is engaged in a United States trade or business.

Miscellaneous Considerations. Foreign corporate investors should also be aware that if the Fund is deemed to be engaged in a United States trade or business, the United States Branch Profit Tax may apply to income from the Fund to the extent the Fund has income effectively connected with a United States trade or business.

In determining the advisability of an investment in the Fund, foreign investors should consult their own tax advisors concerning: (i) whether they will be treated as being engaged in a United States trade or business or having a permanent establishment in the United States, (ii) whether gain from the sale of Units is effectively connected with their conduct of a United States trade or business or a permanent establishment in the United States, (iii) the income tax consequences relating to the ownership of Units in their own particular circumstances, and (iv) the tax consequences of owning Units under the internal tax laws of the foreign investor's home country.

It should be noted that a number of issues discussed in this Memorandum, including issues on which counsel has expressed an opinion, have not been definitively resolved by statutes, regulations, rulings or judicial opinions. Accordingly, no assurances can be given that the conclusions expressed herein will be accepted by the IRS, or, if contested, would be sustained by a court, or that legislative changes or administrative pronouncements or court decisions may not be forthcoming that would significantly alter or modify the conclusions expressed herein. **You are urged to consult your own tax counsel regarding the tax consequences of an investment in Units.**

INVESTMENT BY QUALIFIED PLANS AND IRAS

In General

In considering an investment in the Fund of the assets of an employee benefit plan (as defined in Section 3(3) of "**ERISA**") or an individual retirement account ("**IRA**"), a fiduciary or any other person responsible for investment of the plan or IRA investments, taking into account the facts and circumstances of such plan or IRA, should consider, among other things: (i) whether the investment is in accordance with the documents and instruments governing such plan or IRA, (ii) the definition of plan assets under ERISA, (iii) whether the investment satisfies the diversification requirements of Section 404(a)(1)(C) of ERISA (or other applicable law), (iv) whether, under Section 404(a)(1)(B) of ERISA (or other applicable law), the investment is prudent, considering the nature of an investment in and the compensation structure of the Fund and the fact that there is not expected to be a market created in which the Units can be sold or otherwise disposed of, (v) that the Fund has had no history of operations, (vi) whether the Fund or

any affiliate is a fiduciary or a party in interest to the plan or IRA, (vii) the need to annually value the Units, and (viii) whether an investment in the Fund will cause the plan or IRA to recognize UBTI. See "**Federal Income Tax Consequences – Investment by Qualified Plans and IRAs - Unrelated Business Taxable Income**". The prudence of a particular investment must be determined by the responsible fiduciary or other person (usually the trustee, plan administrator, or investment manager) with respect to each employee benefit plan or IRA, taking into account all of the facts and circumstances of the investment.

Potential employee benefit plan and IRA investors should also take into consideration the limited liquidity of an investment in the Fund as it relates to applicable minimum distribution requirements of the Code. If the Units are held in the IRA or employee benefit plan at the time mandatory distributions are required to commence to the IRA beneficiary or plan participant, applicable law may require the in kind distribution of Units. Such distribution must be included in the participant's or beneficiary's taxable income for the year of receipt of the Units (at then current fair market value) without any cash distributions with which to pay the tax liability.

ERISA provides that Units may not be purchased by an employee benefit plan if the Fund or an affiliate of the Fund is a fiduciary or party in interest (as defined in Sections 3(21) and 3(14) of ERISA) to the plan unless such purchase is exempt from the prohibited transaction provisions of Section 406 of ERISA. Under ERISA, it is the duty of the fiduciary responsible for purchasing the Units not to engage in such transactions.

Code Section 4975 has similar restrictions applicable to transactions between disqualified persons and an employee benefit plan or IRA, which could result in the imposition of excise taxes on the Fund or loss of tax-exempt status of the IRA.

Plan Asset Regulations

An investment in the Fund by an employee benefit plan or IRA could also violate ERISA or the Code if, under applicable Department of Labor ("**DOL**") regulations, the Fund assets are considered to be assets of the plan or IRA. The DOL has promulgated final regulations ("**DOL Regulations**"), 29 C.F.R. Section 2510.3-101, that define what constitutes "**Plan Assets**" in a situation in which an employee benefit plan or IRA invests in a partnership, or other similar entity. If assets of the Fund are classified as Plan Assets, the significant penalties discussed below could be imposed under certain circumstances.

Under the DOL Regulations, if an employee benefit plan or IRA invests in an equity interest of an entity that is neither a publicly offered security nor a security issued by an investment company registered under the Investment Company Act, its assets include both the equity interest and an undivided interest in each of the underlying assets of the entity, unless it is established that the entity is an "**operating company**", or equity participation in the entity by benefit plan investors is not "**significant**".

The Units will not qualify as publicly offered securities nor will they be issued by an investment company registered under the Investment Company Act.

Nonetheless, if one of the exceptions described below is satisfied, Fund assets may avoid

being classified as Plan Assets. Fund assets may be excluded from Plan Assets under the DOL Regulations if the Fund is an "**operating company**". The term "**operating company**" includes an entity that is a "**real estate operating company**", as defined in the DOL Regulations. Under the DOL Regulations, an entity is a "**real estate operating company**" if:

(i) for any day during a 90-day annual valuation period at least 50% of its assets, valued at cost (other than short-term investments pending long-term commitment or distribution to investors), are invested in real estate that is managed or developed by such entity and with respect to which such entity has the right to substantially participate directly in the management or development activities; and

(ii) the entity, in the ordinary course of its business, is engaged directly in real estate management or development activities. Example (8) in the DOL Regulations indicates that an entity may still qualify as a "**real estate operating company**" when management of the entity's real estate may be performed by independent contractors if the entity retains certain control over the independent contractor and frequently consults with and advises the independent contractor.

The Manager believes that the Fund should not satisfy the definition of an operating company. However, because this determination involves questions of fact regarding future activities, complete assurance on this issue cannot be provided. Further, it should be noted that it is possible the Fund would not qualify as a real estate operating company in each year of its existence. That is, the fact that the Fund satisfies the real estate operating Fund rules in one year has no bearing on its ability to satisfy such rules in later years.

If the Fund is classified as a "**real estate operating company**", an investment by an employee benefit plan or IRA in the Fund should be treated only as an investment in an equity interest in the Fund and not as an investment in an undivided interest in each of the Fund's assets. There is no authority regarding whether the Fund's ownership of a Loan made to an Affiliate borrower for investment in an Investment will qualify the Fund as a "**real estate operating company**". As a result, qualified plan and IRA investors should not rely on the Fund being deemed an "**operating company**" for purposes of the DOL Regulations. However, the qualified plan or IRA may qualify for the exemption for "**significant**" participation exemption described below.

If the Fund does not qualify as an "**operating company**" under DOL Regulations, an employee benefit plan or IRA investment in the Fund will be treated as an investment in an equity interest in the Fund, and not as an investment in an undivided interest in each of the underlying assets, only if equity participation in the Fund by benefit plan investors (i.e., employee benefit plans and IRAs) is not "**significant**". Under the DOL Regulations, equity participation in the Fund by benefit plan investors would be "**significant**" on any date if, immediately after the most recent acquisition of any equity interest in the Fund, 25% or more of the total value of the Units is held by benefit plan investors. In determining whether the 25% benefit plan investors' ownership is met, the ownership of any person with discretionary authority with respect to Fund assets is disregarded. The Operating Agreement prohibits benefit plan investors from acquiring 25% or more of the total value of the Units. If the Fund complies with this prohibition, the Fund should qualify for the exemption from the DOL Regulations offered to entities in which benefit plan participation is not "**significant**". However, if, for any reason, the 25% limit is not met, then the issues described below will arise (unless the Fund is an operating company).

Impact of Fund's Holding Plan Assets

If the Fund is deemed to hold Plan Assets, additional issues relating to the Plan Assets and "**prohibited transaction**" concepts of ERISA and the Code arise. Anyone with discretionary authority with respect to Fund assets could become a "**fiduciary**" of the employee benefit plans or IRAs within the meaning of ERISA. As a fiduciary, such person would be required to meet the terms of the employee benefit plan or IRA regarding asset investment and would be subject to prudent investment and diversification standards. Any such fiduciary could be a defendant in an ERISA lawsuit brought by the DOL, an employee benefit plan participant or another fiduciary to require that Fund assets and the investment and stewardship thereof meet these and other ERISA standards.

In addition, if the Fund is deemed to hold Plan Assets, investment in the Fund might constitute an improper delegation of fiduciary responsibility to the Manager and expose the fiduciary of an employee benefit plan investor to co-fiduciary liability under ERISA for any breach by the Manager of its ERISA fiduciary duties.

Section 406 of ERISA and Code Section 4975(c) also prohibit employee benefit plans from engaging in certain transactions with specified parties involving Plan Assets. Code Section 4975(c) also prevents IRAs from engaging in such transactions.

One of the transactions prohibited is the furnishing of services between a plan and a "**party in interest**" or a "**disqualified person**". Included in the definition of "**party in interest**" under Section 3(14) of ERISA and the definition of "**disqualified person**" in Code Section 4975(e)(2) are "**persons providing services to the plan**". If the Manager or certain entities and individuals related to the Manager has previously provided services to an employee benefit plan or IRA investor, then the Manager could be characterized as a "**party in interest**" under ERISA and/or a "**disqualified person**" under the Code with respect to such benefit plan investor.

If such a relationship exists, it could be argued that, because the Manager shares in certain Fund distributions and tax allocations in a manner disproportionate to its capital contributions to the Fund, the Manager is being compensated directly out of Plan Assets rather than Fund assets for the provision of services, i.e., establishment of the Fund and making it available as an investment to the employee benefit plan or IRA. If this were the case, absent a specific exemption applicable to the transaction, a prohibited transaction could be determined to have occurred between the employee benefit plan or IRA and the Manager.

If the Fund's assets are treated as Plan Assets, a prohibited transaction would also occur if a party with whom the Fund enters into a transaction is a "**party in interest**" or "**disqualified person**" with respect to an employee benefit plan or IRA.

Another type of transaction prohibited by ERISA and the Code is one in which fiduciaries of an employee benefit plan or the person who establishes an IRA engage in self-dealing. Accordingly, Affiliates of the Manager are not permitted to purchase Units with assets of any benefit plan investor if they: (i) have investment discretion with respect to such assets or (ii) regularly give individualized investment advice that serves as the primary basis for the

investment decisions made with respect to such assets.

If the Fund's assets are treated as Plan Assets and if it is determined that the acquisition of a Unit by an employee benefit plan (or another transaction of the Fund) constitutes a prohibited transaction, then any party in interest, which may include a fiduciary or sponsor of an employee benefit plan, that has engaged in any such prohibited transaction could be required to: (i) restore to the employee benefit plan any profit realized on the transaction; (ii) make good to the employee benefit plan any losses suffered by the employee benefit plan as a result of such investment; (iii) pay an excise tax equal to 15% of the amount involved (i.e., the amount invested in the Fund) for each year during which the investment is in place; and (iv) eliminate the prohibited transaction by reversing the transaction and making good to the Fund any losses resulting from the prohibited transaction. Moreover, if any fiduciary or party in interest is ordered to correct the transaction by either the IRS or the DOL and such transaction is not corrected within a 90-day period, the party in interest involved could also be liable for an additional excise tax in an amount equal to 100% of the amount involved (i.e., the amount invested in the Fund), for each taxable year commencing with the year in which the 90-day period expires and ending with the year in which the prohibited transaction is corrected. Also, the DOL could assert additional civil penalties against a fiduciary or any other person who knowingly participates in any such breach.

With respect to investing IRAs, the tax-exempt status of the IRA could be lost if the investment (or another transaction of the Fund) constitutes a prohibited transaction under Code Section 408(e)(2). If the IRA were to lose its tax-exempt status, the entire value of the IRA would be considered to be distributed and taxable to the IRA sponsor.

Annual Valuation

A fiduciary of an employee benefit plan subject to ERISA is required to determine annually the fair market value of each asset of the plan as of the end of the plan's fiscal year and to file a report with the IRS reflecting such value. When no fair market value of a particular asset is available, the fiduciary is generally required to make a good faith determination of that asset's "**fair market value**" assuming an orderly liquidation at the time the determination is made. In addition, a trustee or custodian of an IRA must provide the participant and the IRS with a statement of the value of the IRA each year. In discharging its obligation to value assets of a plan, a fiduciary subject to ERISA must act consistently with the relevant provisions of the plan and the general fiduciary standards of ERISA.

To assist fiduciaries (and IRA trustees and custodians) in fulfilling their valuation and annual reporting responsibilities, the Fund will provide reports of the Fund's annual determination of the current value of Units in the Fund, if available and already in existence, to those fiduciaries (including IRA trustees and custodians) who identify themselves to the Fund as such and request the reports. The Fund valuation may be, but is not required to be, performed by independent appraisers.

There can be no assurance: (i) that the value established by the Fund could or will actually be realized by the Fund or an Investor upon liquidation (in part because appraisal or estimated values do not necessarily indicate the price at which assets could be sold and because no attempt will be made to estimate the expenses of selling any assets of the Fund), (ii) that Investors could

realize such value if they were to try to sell their Units, or (iii) that such valuation complies with the requirements of ERISA or the Code.

REPORTS

The Manager will keep proper and complete records and books of account for the Fund. These books and records will be kept at the Fund's principal place of business and each Member (or a duly authorized representative) will at all times, during normal business hours, have the right to inspect, examine and copy from them.

The Manager will also have prepared and transmitted to the Members the following periodic reports:

(1) Biannual reports as to the operations of the Primary Loan.

(2) Within 120 days after the end of each fiscal year of the Fund, an annual report containing an audited financial statement as of December 31st of the applicable year. Such financial statement will be prepared in accordance with sound accounting principles, consistently applied.

(3) Within 120 days after the end of each Fund fiscal year, a copy of that portion of the Fund's federal income tax return for such fiscal year or such other information as the Members may need to prepare their federal income tax returns.

LITIGATION

There are no legal actions pending against either the Fund or the Manager, nor, to the knowledge of management, is any litigation threatened against any of them, any of their management, or any Affiliate, which may materially affect operations or projected goals of the Fund.

ACCOUNTING MATTERS

Method of Accounting

The Fund will maintain its books and records and report its income tax results according to sound accounting principles, consistently applied.

Fiscal Year

Unless changed by the Manager as permitted under the Code, the fiscal year of the Fund will be the calendar year.

Stated Return

The Stated Return made in the initial years of the Fund may be a return of capital and not investment income. During its initial years, the Fund may show a Net Loss from operations.

LEGAL OPINION

The Law Office of Daniel A. Schwartzman will render a tax opinion with respect to certain issues as set forth in this Memorandum. The estimated amount of such tax opinion is **$3,000.00**. Except as to matters stated therein, which are based upon the law in effect as of the date of the opinion, the issuance of the opinion should not in any way be construed as implying that counsel has approved or passed upon any other matter for the Fund. The members or partners of the Law Office of Daniel A. Schwartzman may make an investment to acquire Units pursuant to the terms of this Offering; provided, however, such investment in Units should not be taken as a representation or opinion concerning the operation of the Fund's business, its future success or any other matter related to the investment by any Member in the Fund.

ADDITIONAL INFORMATION

The Manager will answer inquiries from subscribers concerning the Fund and other matters relating to the offer and sale of the Units, and the Manager will afford subscribers the opportunity to obtain any additional information to the extent the Manager possesses such information or can acquire such information without unreasonable effort or expense.

EXHIBIT A

LIMITED LIABILITY COMPANY AGREEMENT

OF

TEI QUARTERLY DEBT FUND LLC

THE SECURITIES OFFERED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 NOR APPROVED OR DISAPPROVED BY THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION NOR BY THE SECURITIES REGULATORY AUTHORITY OF ANY STATE, NOR HAS ANY COMMISSION OR AUTHORITY PASSED UPON OR ENDORSED THE MERITS OF THIS OFFERING OR THE ACCURACY OR ADEQUACY OF ANY DISCLOSURE MADE IN CONNECTION THEREWITH. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE. THE SECURITIES OFFERED HEREBY MAY NOT BE RESOLD WITHOUT REGISTRATION UNDER THE SECURITIES ACT OF 1933 AND APPLICABLE STATE SECURITIES LAWS OR EXEMPTION THEREFROM.

LIMITED LIABILITY COMPANY AGREEMENT
OF
TEI QUARTERLY DEBT FUND LLC

This Limited Liability Company Agreement ("***Agreement***"), effective as of May 29, 2024 (the "***Effective Date***"), is entered into by and between TEI Quarterly Debt Fund Manager LLC, a Delaware limited liability company, as the Manager, and the Members as they are admitted to the Company, based, on the following terms and conditions.

1. Organization.

1.1 Formation. On May 1, 2024, a Certificate of Formation was filed in the office of the Secretary of State of the state of Delaware in accordance with and pursuant to the Act. This Agreement shall amend and replace in its entirety any prior version of the Limited Liability Company Agreement for the Company.

1.2 Name and Place of Business. The name of the Company shall be **TEI QUARTERLY DEBT FUND LLC**, and its principal place of business shall be 55 Fifth Avenue, 15th Floor, New York, NY 10003. The Manager may change such name, change such place of business or establish additional places of business of the Company as the Manager may determine to be necessary or desirable.

1.3 Business and Purpose of the Company. The primary purpose of the Company is to: (i) preserve the Investors' Capital Contributions, (ii) provide the Investors with the Stated Return, and (iii) to have sufficient liquidity to fund redemptions of all or part of an Investor's Capital Contribution.

1.4 Term. The term of the Company shall commence on the Effective Date of this Agreement and shall end upon the earlier of: (i) the redemption of all of Units held by the Investors; or (ii) the payoff of the Primary Loan; or (iii) the Offering Termination Date.

1.5 Required Filings. The Manager shall execute, acknowledge, file, record, amend and/or publish such certificates and documents, as may be required by this Agreement or by law in connection with the formation and operation of the Company.

1.6 Registered Office and Registered Agent. The Company's initial registered office and initial registered agent shall be as provided in the Certificate of Formation. The registered office and registered agent may be changed from time to time by the Manager by filing the address of the new registered office and/or the name of the new registered agent pursuant to the Act.

1.7 Certain Transactions. Any Manager, Member, or any Affiliate thereof, or any shareholder, officer, director, employee, partner, member, manager or any person owning an interest therein, may engage in or possess an interest in any other business or venture of any nature or description, whether or not competitive with the Company, including, but not limited to, the acquisition, syndication, ownership, financing, leasing, operation, maintenance, management, brokerage, construction and development of real or personal property similar to the Investments, as well as commodities, stock, membership or partnership interests, renewable and sustainable energy projects, mortgage loans, unsecured and secured loans, subordinate loans and/or mezzanine loans,

and/or other private equity investments, and no Manager, Member, or any Affiliate, other person or entity shall have any interest in such other business or venture by reason of their interest in the Company.

2. Definitions. Definitions for this Agreement are set forth on **Exhibit A** and are incorporated herein.

3. Capitalization and Financing.

3.1 Manager' Capital Contribution. The Manager shall not be required to make a Capital Contribution to the Company.

3.2 Members' Capital Contributions.

3.2.1 Units.

(a) The Company is hereby initially authorized to sell and issue up to 20,000 Units of membership interests at a purchase price of $5,000 per Unit and to admit the persons who acquire such Units as Members. The minimum purchase shall be five (5) Units. The Manager may, in its sole discretion, sell and issue Units in increments of less than five (5) to any one Member. The Company shall not sell 25% or more of the Units to Employee Benefit Plans. In addition, the Company will not accept a charitable remainder trust as a Member.

(b) Notwithstanding anything to the contrary contained herein, the Manager, in its sole discretion, at any time prior to the Offering Termination Date (as defined below), may increase the amount of the Offering in any amount up to $200,000,000. Such increase will be effectuated by issuing up to an additional 20,000 Units. Additionally, provided the net worth of TEI LLC, a New York limited liability company solely owned by Francis Greenburger (the "***Guarantor***"), as the Guarantor of the Primary Loan as hereafter described, is a minimum of $400,000,000, as indicated on TEI LLC's then most recent financial statement, the Manager, in its sole discretion, at any time prior to the Offering Termination Date, may increase the amount of the Offering to any amount above $200,000,000, but not to exceed $300,000,000 (the "***Maximum Offering Amount***"). Such an increase will be effectuated by issuing up to a maximum of 60,000 Units.

(c) The Units are being offered at the discretion of the Manager until the date the Initial Offering Amount is fully funded or the Maximum Offering Amount is fully funded, if the Manager decides to increase the amount of the Offering as described hereinabove. Notwithstanding the foregoing, the Manager may terminate this Offering at an earlier date in the sole discretion of the Manager, but in no event earlier than **January 1, 2025** (the **"*Offering Termination Date*")**.

3.2.2 Payment of Purchase Price. Except as provided below in Section 3.2.3, the purchase price of each Unit shall be paid in full in cash at the time of execution of the Subscription Agreement. Payment of the purchase price for a Unit shall constitute the Member's initial Capital Contribution.

3.2.3 Subscription Agreement. Each person desiring to acquire Units and become a Member shall tender to the Company a Subscription Agreement for the number of Units desired, together with the correct full Subscription Payment of the Units so subscribed. The Company shall

accept or reject each Subscription Agreement within thirty (30) days after the Company receives the same (and the failure by the Company to accept a Subscription Agreement within the 30-day period shall constitute a rejection thereof). If rejected, all Subscription Payments shall be returned to the subscriber. Acceptance of a Subscription Agreement shall be evidenced by the execution of the Subscription Agreement by the Manager.

3.2.4 Subscription Payments and Admission to the Company. After acceptance of any tendered Subscription Agreement by the Company, the accompanying Subscription Payment shall be paid directly to the Company. Investors in the Company who have been accepted by the Manager shall be admitted into the Company on the first day of the calendar month following the month in which the Company accepts such subscriber's subscription, unless admitted earlier by the Manager.

3.2.5 Manager or its Affiliates as Members.

(a) The Manager may acquire any number of Units for any reason deemed appropriate by the Manager for the same price and upon the same terms and conditions, as all other purchasers thereof.

(i) Affiliates of the Manager and their officers, managers, directors and members may acquire Units in the Company. In such event, the Manager and/or its Affiliates will be admitted to the Company as Members with respect to such Units and will be entitled to all rights as Members appurtenant thereto, including but not limited to the right to vote on certain Company matters as provided for in this Agreement and to receive Distributions and allocations attributable to the Units so purchased.

3.2.6 Admission of a Member. To the extent required by law, the Manager may amend this Agreement and take such other action as the Manager deem necessary or appropriate promptly after receipt of the Members' Capital Contributions to the Company to reflect the admission of those persons to the Company as Members.

3.2.7 Liabilities of Members. Except as specifically provided in this Agreement, neither the Manager nor any Members shall be required to make any additional contributions to the Company and no Manager or Member shall be liable for the debts, liabilities, contracts, or any other obligations of the Company, by reason of being a Member or Manager of the Company, nor shall the Manager or the Members be required to lend any funds to the Company or to repay to the Company, the Manager or any Member, or any creditor of the Company any portion or all of any deficit balance in a Member's Capital Account.

3.3 Manager or Affiliate. The Manager and its Affiliates may, but will have no obligation to, make loans to the Company. Any such loan shall bear interest at a rate equal to the greater of (i) then current prime rate plus 3% or (ii) 12%, and provide for the payment of principal and any accrued but unpaid interest in accordance with the terms of the promissory note evidencing such loan, but in no event later than the dissolution of the Company.

3.4 Loan Structure for Investment by the Company.

3.4.1 The Company will use its net Capital Contribution to make a loan (the "***Primary Loan***") to TEI Quarterly Debt Fund Borrower LLC, a newly formed Delaware limited liability company managed by Francis Greenburger and Robert Kantor (the "***Primary Borrower***"). Primary Borrower may then use the proceeds to make loans to Affiliates (as hereinafter defined) of Time Equities, Inc., a New York corporation solely owned by Francis Greenburger ("***TEI***") (hereinafter, "***Affiliate Loans***"). The Affiliates may use Affiliate Loan proceeds for any legal purpose. Such purposes include, but are not limited to: (i) general working capital; (ii) operating costs and expenses; (iii) investments; (iv) acquisitions of real or personal property; and (v) funding of capital expenses, capital improvements, and leasing costs (tenant improvements and leasing commissions). In addition to the Primary Loan, the Fund may use Capital Contributions to pay offering and marketing expenses for this Offering.

3.4.2 The Primary Loan is payable, in whole or in part, upon thirty (30) days' notice from the Manager to the Primary Borrower. The Primary Loan will be recourse to the Primary Borrower. Affiliate Loans will be recourse to each Affiliate. The interest income received by the Company from the payments received in accordance with the Primary Loan should be interest income taxable to the Investors. Members of an Affiliate borrower shall be entitled to all net profits and losses generated from Investments, including any depreciation.

3.4.3 TEI LLC, a New York limited liability company, shall guarantee repayment to the Company of one hundred percent (100%) of the principal and unpaid interest expense of the Primary Loan. In addition, in the event the Primary Loan payments made to the Fund are not sufficient to permit the Fund to make the quarterly Stated Return distributions and the repayment of 100% of the Capital Contributions made to the Fund, TEI LLC shall guarantee (together, the "***TEI LLC Guaranty***") repayment to the Fund the amount needed by the Fund to make the quarterly Stated Return distributions and the return of one hundred percent (100%) of the Capital Contributions made to the Fund that may be required pursuant to permitted redemption requests or upon the termination of the Fund. As of TEI LLC's most recent Financial Statement dated December 31, 2022, TEI LLC has a net worth in excess of $300,000,000.

3.4.4 At the discretion of the Primary Borrower, the Primary Borrower shall make the Affiliate Loans. It is anticipated that Affiliates may own a wide range of real or personal properties, other investments, and/or whole or partial undivided interests therein, which may consist of real estate properties and/or debt instruments, including retail, office, multi-family, mixed use buildings, parking garages and industrial real estate properties, secured debt through either a mortgage or deed of trust and/or a pledge of all or a part of the ownership interests of a borrower, participations in secured or mezzanine debt and vacant land for development or redevelopment, which often times may consist of excess land included as part of an acquisition of a developed property, and/or other investments selected by an Affiliate (hereinafter, "***Investments***"). The types of Investments owned by Affiliates may include, but are not limited to real estate, including office, industrial, retail, residential and special-use real properties located throughout the world, personal property, including but is not limited to, commodities, stock, membership or partnership interests, renewable and sustainable energy projects, mortgage loans, unsecured and secured loans, Affiliate Loans and/or mezzanine loans, and/or other private equity investments. Many of the Affiliates or their investments may be in start-up, early, transitional, developmental, and/or middle stages of the capital cycle.

3.4.5 The term of each Affiliate Loan made by the Primary Borrower shall be determined at the sole discretion of the Co-Managers of the Primary Borrower. Depending on the

characteristics of each Affiliate Loan, the loan conditions may be interest only, fully-amortizing or some combination of both, but will likely consist of interest only payments. The interest rate on an Affiliate Loan is determined by the Co-Managers of the Primary Borrower. The actual interest rate to be charged by the Primary Borrower for any Affiliate Loan may depend on market conditions, including the characteristics of the Affiliate Loan. The terms of Affiliate Loans will be determined by the Primary Borrower Co-Managers, in their sole discretion; provided, however, the Primary Borrower shall attempt, but it is not guaranteed, to provide payment terms that allow, in aggregate, for Quarterly Distributions to the Primary Borrower, who will then disburse to the Fund to make the Stated Returns.

3.4.6 The Primary Borrower Co-Managers anticipates that the aggregate loan-to-value ratio for each Affiliate Loan will be between 1% and 80% based on the cost basis of an Investment at the time of a financing, or the estimated value of an Investment as determined by the Manager; provided, however, situations may arise where the loan-to-value ratio in the Primary Borrower's sole discretion may exceed 80%. However, the average loan-to-value-ratio of all Affiliate Loans shall not exceed 80%.

3.4.7 TEI Ongoing Financial Covenant. The Company represents and covenants that, measured as of the end of each calendar year, the net worth of TEI LLC (as set forth on its most recent financial statement) shall be no less than 2.0x the amount of the Primary Loan (the "***TEI LLC Financial Covenant***").

4. Allocation of Tax Items.

4.1 Allocation of Net Profit and Net Losses. For each fiscal year, the Net Profit and Net Loss of the Company shall be allocated as follows:

4.1.1 After giving effect to the special allocations set forth in Sections 4.2 - 4.8, Net Profit and Net Loss for any taxable year, shall be allocated among the Members in a manner such that, the Capital Account of each Member, immediately after making such allocation, and after taking into account actual distributions made during such taxable year, is, as nearly as possible, equal (proportionately) to (i) the distributions that would be made to such Member pursuant to Section 5 hereof if the Company were dissolved, its affairs wound up and the Primary Loan and/or other assets were sold for cash equal to their Book Value, all Company liabilities, including the Company's share of any liability of any entity treated as a partnership for U.S. federal income tax purposes in which the Company is a partner, were satisfied (limited with respect to each nonrecourse liability to the Book Value of the Company's assets securing such liabilities) and the net assets of the Company were distributed in accordance with Section 5 to the Members immediately after making such allocation, computed immediately prior to the hypothetical sale of the Primary Loan and/or other assets. Subject to the other provisions of this Section 4, an allocation to a Member of a share of Net Profit or Net Loss shall be treated as an allocation of the same share of each item of income, gain, loss or deduction that is taken into account in computing Net Profit or Net Loss.

4.1.2 In the event that a transferee of a Membership Interest becomes a Member, the items of gross income, loss, deduction and credit pertaining to the transferred Membership Interest for the taxable year of the transfer shall be allocated between the transferor and the transferee on a pro-rata daily basis with respect to the date of transfer of such Membership Interest, provided, however, that the distributive share of income, gains, losses, deductions, credits and tax preference arising out of the sale, refinancing, condemnation or other disposition of all or any portion of the Company's assets or property,

or from insurance proceeds retained by the Company that were not applied, shall be allocated to an Affiliate of the interest as of the date such income, gains, losses, deductions, credits and tax preference are earned or incurred.

4.2 Special Allocations.

4.2.1 Qualified Income Offset. Except as provided in Section 4.3.3, in the event any Member unexpectedly receives any adjustments, allocations, or distributions described in Treasury Regulations Sections 1.704-1(b)(2)(ii)(d)(4), 1.704-1(b)(2)(ii)(d)(5), or 1.704-1(b)(2)(ii)(d)(6), items of Company income and gain shall be specially allocated to such Member in an amount and manner sufficient to eliminate, to the extent required by the Treasury Regulations, the Adjusted Capital Account Deficit created by such adjustment, allocation or distribution as quickly as possible.

4.2.2 Gross Income Allocation. Net Loss shall not be allocated to any Member to the extent such allocation would cause such Member to have an Adjusted Capital Account Deficit at the end of a fiscal year. In the event any Member has an Adjusted Capital Account Deficit at the end of any fiscal year, each such Member shall be specially allocated items of Company gross income and gain in the amount of such Adjusted Capital Account Deficit as quickly as possible.

4.2.3 Minimum Gain Chargeback. Notwithstanding any other provision of this Section 4, if there is a net decrease in Company Minimum Gain during any Company fiscal year, each Member shall be specially allocated items of Company income and gain for such year (and, if necessary, subsequent years) in an amount equal to such Member's share of the net decrease in Company Minimum Gain, determined in accordance with Treasury Regulations Section 1.704-2(g)(2). This Section 4.2.3 is intended to comply with the partnership minimum gain chargeback requirement in the Treasury Regulations and shall be interpreted consistently therewith. This provision shall not apply to the extent the Member's share of net decrease in Company Minimum Gain is caused by a guaranty, refinancing, or other change in the debt instrument causing it to become partially or wholly recourse debt or Member Nonrecourse Debt, and such Member bears the economic risk of loss (within the meaning of Treasury Regulations Section 1.752-2) for the newly guaranteed, refinanced or otherwise changed debt or to the extent the Member contributes cash to the capital of the Company that is used to repay the Nonrecourse Debt, and the Member's share of the net decrease in Company Minimum Gain results from the repayment.

4.2.4 Member Minimum Gain Chargeback. Notwithstanding any other provision of this Section 4, except Section 4.2.3, if there is a net decrease in Member Minimum Gain, any Member with a share of that Member Minimum Gain (as determined under Treasury Regulations Section 704-2(i)(5)) as of the beginning of the year shall be allocated items of Company income and gain for such year (and, if necessary, subsequent years) in an amount equal to such Member's share of the net decrease in Member Minimum Gain, determined in accordance with Treasury Regulations Section 1.704-2(g)(2). This Section shall not apply to the extent the net decrease in Member Minimum Gain arises because the liability ceases to be Member Nonrecourse Debt due to conversion, refinancing or other change in a debt instrument that causes it to become partially or wholly a Nonrecourse Debt. This Section is intended to comply with the partner minimum gain chargeback requirements in the Treasury Regulations and shall be interpreted consistently therewith and applied with the restrictions attributable thereto.

4.2.5 Nonrecourse Deductions and Allocation of Nonrecourse Liabilities. Nonrecourse Deductions for any fiscal year or other period shall be allocated to the Members in proportion to their Units. A Member's "**interest in partnership profits**" for purposes of determining its share of the excess nonrecourse liabilities of the Company within the meaning of Treasury Regulations Section 1.752-3(a)(3) shall be such Member's percentage of all outstanding Units represented by the Units held by such Member.

4.2.6 Member Nonrecourse Deductions. Member Nonrecourse Deductions for any fiscal year shall be allocated to the Member who bears the economic risk of loss as set forth in Treasury Regulations Section 1.752-2 with respect to the Member Nonrecourse Debt. If more than one Member bears the economic risk of loss for a Member Nonrecourse Debt, any Member Nonrecourse Deductions attributable to that Member Nonrecourse Debt shall be allocated among the Members according to the ratio in which they bear the economic risk of loss.

4.2.7 Code Section 754 Adjustments. To the extent an adjustment to the adjusted tax basis of any Company asset pursuant to Code Section 734(b) or Code Section 743(b) is required, pursuant to Treasury Regulations Section 1.704-1(b)(2)(iv)(m), to be taken into account in determining Capital Accounts, the amount of such adjustment to the Capital Accounts shall be treated as an item of gain (if the adjustment increases the basis of the asset) or loss (if the adjustment decreases such basis), and such gain or loss shall be specially allocated to the Members in a manner consistent with the manner in which their Capital Accounts are required to be adjusted pursuant to such Section of the Treasury Regulations.

4.3 Curative Allocations. Notwithstanding any other provision of this Agreement, the Regulatory Allocations shall be taken into account in allocating items of income, gain, loss and deduction among the Members so that, to the extent possible, the net amount of such allocations of other items and the Regulatory Allocations to each Member shall be equal to the net amount that would have been allocated to each such Member if the Regulatory Allocations had not occurred.

4.4 Intentionally Omitted.

4.5 Intentionally Omitted.

4.6 Recapture Income. The portion of each Member's distributive share of Net Income that is characterized as ordinary income pursuant to Section 1245 or 1250 of the Code shall be proportionate to the amount of Net Income or Net Loss which included the corresponding depreciation deductions that were allocated to such Member as compared with the amount of depreciation deductions allocated to all Members.

4.7 Allocation Among Units. Except as otherwise provided in this Agreement, all Distributions and allocations made to the Members shall be in the ratio of the number of Units held by each such Member on the date of such allocation (which allocation date shall be deemed to be the last day of each month) to the total outstanding Units as of such date, and, except as otherwise provided in this Agreement without regard to the number of days during such month that the Units were held by each Member. Members who acquire Units at different times during the Company tax year shall be

allocated Net Income and Net Loss using the monthly convention set forth in Section 4.9.1. For purposes of this Section 4 and Section 5, an Economic Interest Member shall be treated as a Member.

4.8 Allocation of Company Items. Except as otherwise provided herein, whenever a proportionate part of Net Income or Net Loss is allocated to a Member, every item of income, gain, loss or deduction entering into the computation of such Net Income or Net Loss, and every item of credit or tax preference related to such allocation and applicable to the period during which such Net Income or Net Loss was realized shall be allocated to the Member in the same proportion.

4.9 Assignment.

4.9.1 In the event of the assignment of a Unit, the Net Income and Net Loss shall be allocated as between the Member and his assignee based upon the number of months of their respective ownership during the year in which the assignment occurs, without regard to the results of the Company's operations during the period before or after such assignment. Distributions shall be made to the holder of record of the Units as of the date of the Distribution. An assignee who receives Units during the first fifteen (15) days of a month will receive any allocations relative to such month. An assignee who acquires Units on or after the sixteenth (16th) day of a month will be treated as acquiring his Units on the first day of the following month.

4.9.2 In the event of the assignment of a Manager's interest, the allocations of Net Income or Net Loss shall be as agreed between the Manager and its assignee. In the absence of an agreement, the Net Income, Net Loss and Distributions shall be allocated in a manner similar to that provided in Section 4.9.1.

4.10 Power of Manager to Vary Allocations. It is the intent of the Members that each Member's share of Net Income and Net Loss be determined and allocated in accordance with Section 704(b) and Section 514(c)(9) of the Code and the provisions of this Agreement shall be so interpreted. Therefore, if the Company is advised by the Company's legal counsel that the allocations provided in this Section 4 are unlikely to be respected for federal income tax purposes, the Manager is hereby granted the power to amend the allocation provisions of this Agreement to the minimum extent necessary to comply with Section 704(b) and Section 514(c)(9) of the Code and effect the plan of allocations and Distributions provided for in this Agreement.

4.11 Consent of Members. The allocation methods of Net Income and Net Loss are hereby expressly consented to by each Member as a condition of becoming a Member.

4.12 Withholding Obligations.

4.12.1 If the Company is required (as determined by the Manager) to make a payment ("***Tax Payment***") with respect to any Member to discharge any legal obligation of the Company or the Manager to make payments to any governmental authority with respect to any federal, foreign, state or local tax liability of such Member arising as a result of such Member's interest in the Company, then, notwithstanding any other provision of this Agreement to the contrary, the amount of any such Tax Payment shall be offset against any Distribution which otherwise would be made to such Member.

4.12.2 If and to the extent the Company is required to make any Tax Payment with respect to any Member, by offset to a Distribution to a Member, either (i) such Member's proportionate share of such Distribution shall be reduced by the amount of such Tax Payment, or (ii) to the extent such offset to Distributions of such Member is not sufficient to cover such Tax Payment, then such Member shall pay to the Company an amount of cash equal to such deficit for such Tax Payment. The Company shall notify such Member of the amount of such deficit and the Member shall pay same within ten (10) business days after receipt of a written demand for payment, which includes a calculation of such deficit.

4.12.3 The Manager shall be entitled to hold back any Distribution to any Member to the extent the Manager believes in good faith that a Tax Payment will be required with respect to such Member in the future and the Manager believes that there will not be sufficient subsequent Distributions to make such Tax Payment.

4.13 Special Allocation. Notwithstanding the other provisions in this Section 4 (but subject to Section 4.10), in the year of the repayment of the Primary Loan, Net Income and Net Loss from all sources (or gross income or gross expense) shall be allocated, to the greatest extent possible, so that the positive capital account balance of each Member shall be equal to the distributions to be made upon liquidation to such Member.

5. Distributions.

5.1 Company Cash Flow. The source of funding for repayment of the Affiliate Loans and the Primary Loan may be from net loan or sale proceeds of an Affiliate, Original Invested Capital Amount, and/or from any other source as received by an Affiliate and paid under the Affiliate Loans to the Primary Borrower who will pay to the Company the debt service payment required under the Primary Loan.

5.2 The Company expects to make distributions of Company Cash Flow (as defined below) equal to the Stated Return (as hereinafter defined) on a quarterly basis to Investors calculated based on the amount of their Unreturned Capital Contributions ("***Quarterly Distributions***"). Quarterly Distributions will begin following the first full calendar quarter after the date of the Company's receipt of an Investor's Capital Contribution and acceptance of an Investor's executed Subscription Agreement until the earlier of: (i) the redemption of all Units held by the Investors; or (ii) the payoff of the Primary Loan; or (iii) the Offering Termination Date. The "***Stated Return***" shall be equal to 7% per annum through December 31, 2024. Thereafter, commencing January 1, 2025, and on the first business day of each calendar quarter thereafter (January 1, April 1, July 1, and October 1 of each calendar year), the Stated Return shall be adjusted to be equal to the Three (3) Month U.S. Treasury Bill (the "***3 Month UST***") plus one hundred fifty (150) basis points. The 3 Month UST shall be determined as being equal to the "closing price" of record as set forth in the Daily Treasury Statement published by the U.S. Department of the Treasury at 4:00 p.m. Eastern (or the market closing time) on the last business day of each previous calendar quarter. The Company intends to commence making Quarterly Distributions to the Members beginning in the first full calendar quarter after the date of the Company's receipt of an Investor's Capital Contribution and acceptance of an Investor's executed Subscription Agreement. Quarterly Distributions are paid in arrears and any amounts accrued for any partial calendar quarter of an Investor's Capital Contribution will be paid with the first Quarterly

Distribution following the first full calendar quarter after the date of the Company's receipt of an Investor's Capital Contribution and acceptance of an Investor's executed Subscription Agreement.

5.3 Proceeds generated by the Company that are available for distribution to the Members (after transaction costs, repayment of liabilities, required or intended to be paid therefrom and retention of such amounts for reserves as the Manager determines is prudent) ("***Company Cash Flow***") will be distributed as follows:

5.3.1 First, 100% to the Members until the Members have received an amount equal to their Stated Return, calculated based on their respective Unreturned Capital Contributions; and

5.3.2 Second, after payment of the Stated Return, the applicable Members, as provided above, then the remaining Company Cash Flow shall be paid to the Manager.

5.3.3 In the event that there is a condition or projected circumstance that would cause the making of the Distributions of the Stated Return materially adverse to the Company, including a deterioration in general economic conditions, and/or those pertaining to the conditions of the Investments, the occurrence of a force majeure events, and/or the onset of a public health concern (collectively referred to as an "***Economic Disruption***"), as determined by Manager in their sole discretion, the Manager may reduce the Stated Annual Distribution paid to Members until such condition or Economic Disruption has subsided to the point where the Manager determines that it may allow resumption of payment of the Stated Return to Investors. During an Economic Disruption, the Stated Return shall continue to accrue, but the cash Distributions paid to Members may be reduced. Any catch-up of the accrued and unpaid Stated Return, which ordinarily would have been paid if an Economic Disruption had not occurred, shall be paid when the financial and economic conditions of the Investments allow, as determined in the sole discretion by the Manager.

5.3.4 For purposes herein a Member's Unreturned Capital Contributions shall only be reduced from the amount actually redeemed and paid to a Member. After the occurrence of a Redemption, the Stated Annual Distribution shall be revised based on any remaining Unreturned Capital Contributions of a Member.

5.4 Restrictions. The Company intends to make periodic Distributions of substantially all cash determined by the Manager to be distributable, subject to the following: (i) Distributions may be restricted or suspended for periods when the Manager determines in its reasonable discretion that it is in the best interest of the Company; and (ii) all Distributions are subject to the payment, and the maintenance of reasonable reserves for payment, of Company obligations.

5.5 Intentionally Omitted.

6. Compensation to the Manager and its Affiliates.

6.1 Manager' and Affiliates' Compensation. The Manager and its Affiliates shall receive compensation from the Company for services rendered or to be rendered. Any agreements that the Company enters into with an Affiliate of the Manager will be at arm's length, market terms.

6.1.1 The Company shall pay an annual servicing and distribution fee equal to 1.50% of the Capital Contributions in the Fund (the "***SD Fee***"). Such annual SD Fee shall be calculated and paid in quarterly installments equal to 0.375% of the Capital Contributions in the Fund as of the last day of each calendar quarter.

6.1.2 Cohan, Rubenstein, Sappol & Sturman PLLC, a New York professional service limited liability company ("***Cohan Rubenstein***") will be paid legal fees for the syndication of the offering, including the preparation of the Memorandum, subscription and operating agreements and the preparation and submission of the SEC and state filings in the estimated amount of $90,000.00. The attorneys that are part of the legal department of TEI are also affiliated with Cohan Rubenstein.

6.2 Company Expenses.

6.2.1 Operating Expenses. Subject to the limitations set forth in Section 6.2.2, The Company shall pay directly, or reimburse the Manager as the case may be, for all of the costs and expenses of the Company's operations, including, without limitation, the following costs and expenses: (i) all Organization and Offering Expenses advanced or otherwise paid by the Manager; (ii) all costs of personnel employed by the Company and directly involved in the Company's business; (iii) all compensation due to the Manager or its Affiliates; (iv) all costs of personnel employed by the Manager or its Affiliates and directly involved in the business of the Company; (v) all costs of borrowed money, and other taxes applicable to the Company; (vi) legal, accounting, audit, brokerage, and other fees; (vii) fees and expenses paid to independent contractors, mortgage bankers, real estate brokers, and other agents; (viii) intentionally omitted; (ix) intentionally omitted; (x) all expenses incurred in connection with the maintenance of Company books and records, the preparation and dissemination of reports, tax returns or other information to the Members and the making of Distributions to the Members; (xi) expenses incurred in preparing and filing reports or other information with appropriate regulatory agencies; (xii) expenses of insurance as required in connection with the business of the Company, other than any insurance insuring the Manager against losses for which it is not entitled to be indemnified under Section 7.8; (xiii) costs incurred in connection with any litigation in which the Company may become involved, or any examination, investigation, or other proceedings conducted by any regulatory agency, including legal and accounting fees; (xiv) the actual costs of goods and materials used by or for the Company; (xv) the costs of services that could be performed directly for the Company by independent parties such as legal, accounting, secretarial or clerical, reporting, transfer agent, data processing and duplicating services but which are in fact performed by the Manager or its Affiliates, but not in excess of the amounts which the Company would otherwise be required to pay to independent parties for comparable services in the same geographic locale; (xvi) expenses of Company administration, accounting, documentation and reporting; (xvii) expenses of revising, amending, modifying, or terminating this Agreement; (xviii) all other costs and expenses incurred in connection with the Company's business, including travel to and from the Investments; and (xix) all other costs and expenses incurred in connection with the business of the Company, exclusive of those set forth in Section 6.2.2. Notwithstanding anything to the contrary contained herein, the above reimbursement of the Manager' costs and expenses shall not include the reimbursement or payment to the Manager and/or the Investments Manager for the salaries of their employees and/or employee work product.

6.2.2 Manager Overhead. Except as set forth in this Section 6, the Manager and its Affiliates shall not be reimbursed for overhead expenses incurred in connection with the Company,

including but not limited to rent, depreciation, utilities, capital equipment and other administrative items.

6.2.3 Intentionally Omitted.

6.2.4 Retention of Third-Party Company Administrator. The Company may retain a third-party administrator to provide certain administrative services for the Company, including but not limited to, those relating to: (i) processing subscriptions; (ii) payment of commission to broker dealers; (iii) the calculation and disbursement of distributions to Members; (iv) processing requests for assignment and/or redemption of Membership Interests; v) management of member changes (e.g.: change of address, distribution method and contact information); (vi) OFAC checks for Investors as part of their subscription process, and vii) monitoring the investor portal. It is estimated, but not guaranteed, that the Company will pay approximately $50,000.00 per annum (subject to be increased over the term, including renewals of such Agreement with the third-party administrator).

7. Authority, and Responsibilities of the Manager.

7.1 Management. The business and affairs of the Company shall be managed by its Manager. Except as otherwise set forth in this Agreement, the Manager shall have full and complete authority, power and discretion to manage and control the business, affairs and assets of the Company, to make all decisions regarding those matters and to perform any and all other acts or activities customary or incident to the management of the Company's business. The Company shall have one Manager which shall be **TEI Quarterly Debt Fund Manager LLC**. The Manager shall hold office until such Manager is removed or withdraws or resigns as set forth in this Agreement. The Co-Managers of the Manager are Francis Greenburger and Robert Kantor.

7.2 Manager Authority. The Manager shall have all authority, rights and powers conferred by law (subject to Section 7.3 and Section 8.2, if required) and those required or appropriate to the management of the Company's business, which, by way of illustration but not by way of limitation, shall include the right, authority and power to cause the Company to:

7.2.1 Make all decisions as to the Primary Loan to be made to Affiliates pursuant to the provisions of Section 3.4;

7.2.2 Make all decisions as to the repayment of the Primary Loan, including demands for principal repayments to fund Redemptions and the enforcement of the Primary Loan;

7.2.3 Borrow money and if security is required thereof to pledge or grant a security interest in the Primary Loan receivables or assets of the Company and obtain replacement for any such security and to prepay, in whole or in part, refinance, increase, modify, consolidate or extend any such financing. All of the foregoing shall be on such terms and in such amounts as the Manager, in their sole discretion, deem to be in the best interest of the Company;

7.2.4 Enter into such contracts and agreements as the Manager determine to be reasonably necessary or appropriate in connection with the Company's business and purpose (including contracts with Affiliates of the Manager), and any contract of insurance that the Manager deem

necessary or appropriate for the protection of the Company and the Manager, including errors and omissions insurance, for the conservation of Company assets, or for any purpose convenient or beneficial to the Company;

7.2.5 Employ persons, who may be Affiliates of the Manager, in the operation and management of the business of the Company;

7.2.6 Prepare or cause to be prepared reports, statements, and other relevant information for distribution to the Members;

7.2.7 Open accounts and deposit and maintain funds in the name of the Company in banks, savings and loan associations, "*money market*" mutual funds and other instruments as the Manager may deem in their discretion to be necessary or desirable;

7.2.8 Cause the Company to make or revoke any of the elections referred to in the Code (the Manager shall have no obligation to make any such elections);

7.2.9 Select as the Company's accounting year, a calendar or fiscal year as may be approved by the Internal Revenue Service, (the Company initially intends to adopt the calendar year);

7.2.10 Determine the appropriate accounting method or methods to be used by the Company;

7.2.11 In addition to any amendments otherwise authorized herein, amend this Agreement without any action on the part of the Members by special or general power of attorney or otherwise:

(a) To add to the representations, duties, services or obligations of the Manager or its Affiliates, for the benefit of the Members;

(b) To cure any ambiguity or mistake, to correct or supplement any provision herein that may be inconsistent with any other provision herein, or to make any other provision with respect to matters or questions arising under this Agreement that will not be inconsistent with the provisions of this Agreement;

(c) To amend this Agreement to reflect the addition or substitution of the Members or the reduction of the Capital Accounts upon the return of capital to the Members;

(d) To minimize the adverse impact of, or comply with, any final regulation of the United States Department of Labor, or other federal agency having jurisdiction, defining "*plan assets*" for ERISA purposes;

(e) To reconstitute the Company under the laws of another state if beneficial;

(f) To execute, acknowledge and deliver any and all instruments to effectuate the foregoing, including the execution, acknowledgment and delivery of any such instrument by the

attorney-in-fact for the Manager under a special or limited power of attorney, and to take all such actions in connection therewith as the Manager shall deem necessary or appropriate with the signature of ether of the Manager acting alone; and

(g) To make any changes to this Agreement as requested or required by any lender or potential lender which may be required to obtain financing including, but not limited to, complying with any special purpose entity requirements.

7.2.12 Require in any Company contract that the Manager shall not have any personal liability, but that the Person contracting with the Company is to look solely to the Company and its assets for satisfaction;

7.2.13 Lease personal property for use by the Company;

7.2.14 Establish reserves from income in such amounts as the Manager may deem appropriate;

7.2.15 Temporarily invest the proceeds from sale of Units in short-term, highly-liquid investments;

7.2.16 Represent the Company and the Members as the "Partnership Representative**"** as set forth in Section 7.6, within the meaning of the Code in discussions with the Internal Revenue Service regarding the tax treatment of items of Company income, loss, deduction or credit, or any other matter reflected in the Company's returns, and, if deemed in the best interest of the Members, to agree to final Company administrative adjustments or file a petition for a readjustment of the Company items in question with the applicable court;

7.2.17 Offer and sell Units through any licensed Affiliate of the Manager, or licensed non-affiliate, and to employ licensed personnel, agents and dealers for such purpose;

7.2.18 redeem Units on behalf of the Company;

7.2.19 Suspend, in whole or in part, the payments of the Stated Return and/or redemptions due to an Economic Disruption, and decide when same should be reinstated, in whole or in part;

7.2.20 Hold an election for a successor Manager before the resignation, removal or dissolution of a Manager;

7.2.21 Initiate legal actions, settle legal actions and defend legal actions on behalf of the Company;

7.2.22 Admit itself as a Member;

7.2.23 Enter into any transaction with any partnership or venture;

7.2.24 Intentionally Deleted.

7.2.25 Appoint officers of the Company as set forth in Section 7.11;

7.2.26 Perform any and all other acts which the Manager are obligated to perform hereunder; and

7.2.27 Execute, acknowledge and deliver any and all instruments to effectuate the foregoing and all transactions and actions described in, or contemplated by this Agreement and/or the Memorandum, and take all such actions in connection therewith as the Manager may deem necessary or appropriate. Any and all documents or instruments may be executed on behalf of and in the name of the Company by the Manager without the need for the other Manager's signature.

7.3 Restrictions on Manager' Authority. Neither the Manager nor any of its Affiliates shall have authority, without a Majority Vote, to:

7.3.1 Enter into contracts with the Company that would bind the Company after the removal, or other cessation to exist of the Manager, or to continue the business of the Company after the occurrence of such event;

7.3.2 Use or permit any other person to use Company funds or assets in any manner except for the exclusive benefit of the Company;

7.3.3 Alter the primary purpose of the Company;

7.3.4 Receive from the Company a rebate or give-up or participate in any reciprocal business arrangements which would enable it or any Affiliate to do so;

7.3.5 Admit another Person as a Manager, except with the consent of the Members as provided in this Agreement;

7.3.6 Commingle the Company funds with those of any other person or entity, except for: (i) the temporary deposit of funds in a bank checking account with the Company administrator as to the receipt of subscription payments and/or for the sole purpose of making Distributions immediately thereafter to the Members and the Manager, or (ii) funds attributable to the Investments and held for use in the management and operations of the Investments; or

7.3.7 Directly or indirectly pay or award any finder's fees, commissions or other compensation to any person engaged by a potential investor for investment advice as an inducement to such advisor to advise the purchaser regarding the purchase of Units; provided, however, that the Manager shall not be prohibited from paying underwriting or marketing commissions, or finder's or referral fees to registered broker-dealers or other properly licensed persons for its services in marketing Units as provided for in this Agreement.

7.3.8 The Manager and/or its Affiliates shall be excluded for the purpose of calculating the Majority Vote requirement under Section 7.3.

7.4 Responsibilities of the Manager. The Manager shall:

7.4.1 Have a fiduciary responsibility for the safekeeping and use of all the Company and assets of the Company;

7.4.2 Devote such of its time and business efforts to the business of the Company as it shall in its discretion, exercised in good faith, determine to be necessary to conduct the business of the Company;

7.4.3 File and publish all certificates, statements, or other instruments required by law for formation, qualification and operation of the Company and for the conduct of its business in all appropriate jurisdictions;

7.4.4 Cause the Company to be protected by public liability, property damage and other insurance determined by the Manager in their discretion to be appropriate to the business of the Company;

7.4.5 At all times use its best efforts to meet applicable requirements for the Company to be taxed as a partnership and not as an association taxable as a corporation; and

7.4.6 Amend this Agreement to reflect the admission of the Members, without any action on the part of the Members (other than their signature for the Operating Agreement), not later than ninety (90) days after the date of admission or substitution.

7.5 Administration of Company. So long as it is the Manager and the provisions of this Agreement for compensation and reimbursement of expenses of the Manager are observed, the Manager shall have the responsibility of providing continuing administrative and executive support, advice, consultation, analysis and supervision with respect to the functions of the Company, and compliance with federal, state and local regulatory requirements and procedures. In this regard, the Manager may retain the services of its Affiliates or unaffiliated parties as the Manager may deem appropriate to provide management and financial consultation and advice, and may enter into agreements for the management and operation of Company assets.

7.6 Partnership Representative.

7.6.1 The Manager shall act as the partnership representatives of the Company pursuant to Code Section 6223(a) (collectively, the "***Partnership Representative***"). In accordance with the Partnership Tax Audit Rules, the Manager acting unanimously shall have the authority to remove and replace the Partnership Representative and designate such Person's successor. The Partnership Representative shall keep the Members informed by written notice of any audit, administrative or judicial proceedings, meetings or conferences with the Internal Revenue Service or applicable state taxing authorities, or other similar matters that come to its attention in its capacity as Partnership Representative and shall provide copies to each Member of any Internal Revenue Service and state or local tax authority correspondence pertaining to a company audit or other tax proceeding. Furthermore,

the Members shall have the right to attend and jointly participate in any meetings or conferences with a taxing authority at their own expense.

7.6.2 Except as provided in this Agreement, the Partnership Representative is authorized and required to represent the Company (at the Company's expense) in connection with all examinations of the Company's affairs by taxing authorities, including administrative and judicial proceedings, and to expend Company funds for professional services and costs associated therewith, provided, however, that the Partnership Representative shall take the following actions only with the consent of the Manager:

(a) Extend the Statute of Limitations. Enter into any agreement with the IRS to extend the period for assessing any U.S. federal income tax that is attributable to any item that may be the subject of an audit of a U.S. federal income tax return of the Company;

(b) Settle. Settle any audit or agree to a notice of final partnership adjustment with respect to any Company tax return with the IRS concerning the adjustment of any Company item;

(c) Litigate. Commence or settle any Tax Court case or other judicial or administrative proceeding with respect to any Company tax return; and

(d) Forego Section 6226 Election. Fail to make (if such election is available) the election provided in Section 6226 of the Code with respect to an "*imputed underpayment*" described in Section 6225(b) of the Code.

7.6.3 Except as otherwise permitted pursuant to this Agreement, the Company shall elect the alternative procedure under Code Section 6226 within forty-five (45) days of issuance of any notice of final partnership adjustment to the Company, and shall furnish to the Internal Revenue Service and each Member during the year or years to which the notice of final partnership adjustment relates a statement of the Member's share of any adjustment set forth in the notice of final partnership adjustment.

7.6.4 Each Member agrees that such Member shall not treat any Company item inconsistently on such Member's federal, state, foreign or other income tax return with the treatment of the item on the Company's return. Any deficiency for taxes imposed on or with respect to any items allocated to any Member (including penalties, additions to tax or interest imposed with respect to such taxes and any taxes imposed pursuant to Code Section 6226) shall be paid by such Member.

7.6.5 The provisions of this Section 7.6 shall survive the termination of the Company or the termination of any Member's interest in the Company and shall remain binding on the Members and the Partnership Representative for as long a period of time as is necessary to resolve with the Internal Revenue Service any and all matters regarding the federal income taxation of the Company or Members.

7.6.6 The Partnership Representative is authorized and required to represent the Company (at the Company's expense) in connection with all examinations of the Company's affairs by taxing authorities, including administrative and judicial proceedings, and to expend Company funds for

professional services and costs associated therewith and shall have authority without notice to the Members to extend the statute of limitations, file a request for administrative adjustment, file suit relating to any Company tax refund or deficiency or enter into any settlement agreement relating to items of income, gain, loss or deduction of the Company with any Taxing Authority.

7.6.7 To the extent permitted by applicable law and regulations, the Company may elect out of the partnership audit procedure enacted under Section 1101 of the Bipartisan Budget Act of 2015 (the "***BBA Procedures***") pursuant to Code Section 6221(b), but shall not be required to. The Company may also elect out of the BBA Procedures, in which case, within forty-five (45) days of any notice of final partnership adjustment, the Company may elect the alternative procedure under Code Section 6226 and furnish to the Internal Revenue Service and each Member during the year or years to which the notice of final partnership adjustment relates a statement of the Member's share of any adjustment set forth in the notice of final partnership adjustment.

7.6.8 Each Member agrees that such Member shall not treat any Company item inconsistently on such Member's federal, state, foreign or other income tax return with the treatment of the item on the Company's return. Any deficiency for taxes imposed on any Member (including penalties, additions to tax or interest imposed with respect to such taxes and any taxes imposed pursuant to Code Section 6226)) shall be paid by such Member.

7.6.9 The Partnership Representative shall have sole discretion to make any determination regarding income tax elections it deems advisable on behalf of the Company; provided, that the Partnership Representative shall make an election under Code Section 754, if requested in writing by another Member.

7.7 Intentionally Deleted.

7.8 Indemnification of the Manager and Officers.

7.8.1 The Manager, its shareholders, Affiliates, officers, directors, partners, manager, members, employees, agents and assigns and any officers of the Company, shall not be liable for, and shall be indemnified and held harmless (to the extent of the Company's assets) from, any loss or damage incurred by them, the Company or the Members in connection with the business of the Company and for any action taken or failure to act on behalf of the Company within the scope of authority conferred upon the Manager by this Agreement or by law, including costs and reasonable attorneys' fees and any amounts expended in the settlement of any claims of loss or damage resulting from any act or omission performed or omitted in good faith, which shall not constitute fraud, gross negligence or willful misconduct, pursuant to the authority granted, to promote the interests of the Company. Moreover, neither the Manager nor any officer of the Company shall be liable to the Company or the Members because any taxing authorities disallow or adjust any deductions or credits in the Company income tax returns. Other than as set forth in this Agreement, the Manager shall have no other obligations to the Company or the Members. The above indemnification shall cover any obligation, liability costs or expense (including reasonable attorneys' fees) incurred by the Manager, its Affiliates and/or any of their principals or the Manager as to any guaranty or environmental indemnity executed by any of such parties in connection with a loan.

7.8.2 Notwithstanding Section 7.8.1, the Company shall not indemnify any Manager or Member, shareholder, director, officer or other employee thereof, for liability imposed or expenses incurred in connection with any claim arising out of a violation of the Securities Act of 1933, or any other federal or state securities law, with respect to the offer and sale of the Units. Indemnification will be allowed for settlements and related expenses in lawsuits alleging securities law violations, and for expenses incurred in successfully defending such lawsuits, provided that (i) the Manager are successful in defending the action; (ii) the indemnification is specifically approved by the court of law which shall have been advised as to the current position of the Securities and Exchange Commission (as to any claim involving allegations that the Securities Act of 1933 was violated) or the applicable state authority (as to any claim involving allegations that the applicable state's securities laws were violated); or (iii) in the opinion of counsel for the Company, the right to indemnification has been settled by controlling precedent.

7.9 No Personal Liability for Return of Capital. Except as provided in Section 5.1.7, the Manager shall not be personally liable or responsible for the return or repayment of all or any portion of the Capital Contribution of any Member or any loan made by any Member to the Company, it being expressly understood that any such return of capital or repayment of any loan shall be made solely from the assets (which shall not include any right of contribution from any Member) of the Company.

7.10 Authority as to Third Persons.

7.10.1 No third party dealing with the Company shall be required to investigate the authority of the Manager or officers of the Company or secure the approval or confirmation by any Member of any act of the Manager in connection with the Company's business. No purchaser of any property or assets owned by the Company shall be required to determine the right to sell or the authority of the Manager to sign and deliver any instrument of transfer on behalf of the Company, or to see to the application or distribution of revenues or proceeds paid or credited in connection therewith.

7.10.2 The Manager shall have full authority to execute on behalf of the Company any and all agreements, contracts, conveyances, deeds, mortgages and other instruments, and the execution thereof by a Manager executing on behalf of the Company shall be the only execution necessary to bind the Company thereto (without the need for execution by the other Manager). Any officer appointed by resolution of the Manager pursuant to Section 7.11 shall have full authority to execute on behalf of the Company any agreements, contract, conveyances, deeds, mortgages and other instruments, to the extent such authority is delegated by the Manager to such officer, and the execution thereof by such officer, executing on behalf of the Company shall be the only execution necessary to bind the Company thereto. No signature of any Member shall be required.

7.11 Officers of the Company.

7.11.1 The Manager, in their sole discretion, may appoint officers of the Company at any time. The officers of the Company, if appointed by resolution of the Manager, may include a president, vice president, secretary, and treasurer. The officers shall serve at the discretion of the Manager. Any individual may hold any number of offices. The Manager' officers may serve as officers of the Company if appointed by resolution of the Manager. The officers shall exercise such powers and perform such duties as determined and authorized by the Manager.

7.11.2 Any officer may be removed, either with or without cause, by the Manager at any time. Any officer may resign at any time by giving written notice to the Manager. Any resignation shall take effect at the date of the receipt of that notice or at any later time specified in that notice; and, unless otherwise specified in that notice, the acceptance of the resignation shall not be necessary to make it effective. Any resignation is without prejudice to the rights, if any, of the Company under any contract to which the officer is a party.

8. Rights, Authority and Voting of the Members.

8.1 Members Are Not Agents. Pursuant to Section 7, the management of the Company is vested in the Manager. No Member, acting solely in the capacity of a Member, is an agent of the Company nor can any Member in such capacity bind nor execute any instrument on behalf of the Company.

8.2 Voting by the Members. Members shall be entitled to cast one vote for each Unit they own. Except as otherwise specifically provided in this Agreement, Members (but not Economic Interest Owners) shall have the right to vote only upon the following matters:

8.2.1 Removal of a Manager as provided in Section 9.2;

8.2.2 Admission of a Manager or election to continue the business of the Company after the Manager cease to be the Manager when there is no remaining Manager;

8.2.3 Amendment of this Agreement (unless otherwise provided for herein); and

8.2.4 Any merger or combination of the Company or roll-up of the Company.

8.3 Member Vote; Consent of Manager. Except for the Majority Votes of the Units required pursuant to Sections 8.2.1, 8.2.2, 8.2.3, 8.2.4, 8.4.3, 9.1, 9.2, 9.3.1, 9.4, 10.1, 10.1.3, 10.1.4 and 16.2 or as specifically provided in this Agreement which provisions shall only require a Majority Vote, matters upon which the Members may vote shall require a Majority Vote and the consent of the Manager to pass and become effective.

8.4 Meetings of the Members. The Manager may at any time call for a meeting of the Members, or for a vote without a meeting, on matters on which the Members are entitled to vote and shall call for such a meeting (but not a vote without a meeting) following receipt of a written request therefor of Members holding more than ten percent (10%) of the Units entitled to vote as of the record date. Within twenty (20) days after receipt of such request, the Manager shall notify all Members of record of the record date of the Company meeting.

8.4.1 Notice. Written notice of each meeting shall be given to each Member entitled to vote, either personally or by mail or other means of written communication, charges prepaid, addressed to such Member at its address appearing on the books of the Company or given by it to the Company for the purpose of notice or, if no such address appears or is given, at the principal executive office of the Company, or by publication of notice at least once in a newspaper of general circulation

in the county in which such office is located. All such notices shall be sent not less than ten (10), nor more than sixty (60), days before such meeting. The notice shall specify the place, date and hour of the meeting and the general nature of business to be transacted, and no other business shall be transacted at the meeting.

8.4.2 Adjourned Meeting and Notice Thereof. When a Members' meeting is adjourned to another time or place, notice need not be given of the adjourned meeting if the time and place thereof are announced at the meeting at which the adjournment is taken. At the adjourned meeting, the Company may transact any business which might have been transacted at the original meeting. If the adjournment is for more than forty-five (45) days or if after the adjournment a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given to each Member of record entitled to vote at the meeting.

8.4.3 Quorum. The presence in person or by proxy of the persons entitled to vote a majority of the Units shall constitute a quorum for the transaction of business. The Members present at a duly called or held meeting at which a quorum is present may continue to transact business until adjournment notwithstanding the withdrawal of enough Members to leave less than a quorum, if any action taken (other than adjournment) is approved by at least a Majority Vote or such greater vote as may be required by this Agreement or by law. In the absence of a quorum, any meeting of Members may be adjourned from time to time by the vote of a majority of the Units represented either in person or by proxy, but no other business may be transacted, except as provided above.

8.4.4 Consent of Absentees. The transactions of any meeting of Members, however called and noticed and wherever held, are as valid as though they occurred at a meeting duly held after regular call and notice, if a quorum is present either in person or by proxy, and if, either before or after the meeting, each of the persons entitled to vote, not present in person or by proxy, signs a written waiver of notice, or a consent to the holding of the meeting or an approval of the minutes thereof. All waivers, consents and approvals shall be filed with the Company records or made a part of the minutes of the meeting.

8.4.5 Action Without Meeting. Except as otherwise provided in this Agreement, any action which may be taken at any meeting of the Members may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by Members having not less than the minimum number of votes that would be necessary to authorize or take that action at a meeting at which all entitled to vote thereon were present and voted. In the event the Members are requested to consent on a matter without a meeting, each Member shall be given not less than ten (10), nor more than sixty (60) days' notice. In the event the Manager or Members representing more than ten percent (10%) of the Units, request a meeting for the purpose of discussing or voting on the matter, the notice of a meeting shall be given in the same manner as required by Section 8.4.1 and no action shall be taken until the meeting is held. Unless delayed as a result of the preceding sentence, any action taken without a meeting will be effective five (5) days after the required minimum number of voters have signed the consent; however, the action will be effective immediately if the Manager and Members representing at least sixty percent (60%) of the Units have signed the consent.

8.4.6 Record Dates. For purposes of determining the Members entitled to notice of any meeting or to vote or entitled to receive any Distributions or to exercise any rights in respect of any

other lawful matter, the Manager (or Members representing more than ten percent (10%) of the Units if the meeting is being called at their request) may fix in advance a record date, which is not more than sixty (60) nor less than ten (10) days prior to the date of the meeting nor more than sixty (60) days prior to any other action. If no record date is fixed:

(a) The record date for determining Members entitled to notice of or to vote at a meeting of Members shall be at the close of business on the business day next preceding the day on which notice is given or, if notice is waived, at the close of business on the business day next preceding the day on which the meeting is held;

(b) The record date for determining Members entitled to give consent to Company action in writing without a meeting shall be the day on which the first written consent is given;

(c) The record date for determining Members for any other purpose shall be at the close of business on the day on which the Manager adopt it, or the sixtieth (60th) day prior to the date of the other action, whichever is later; and

(d) A determination of Members of record entitled to notice of or to vote at a meeting of Members shall apply to any adjournment of the meeting unless the Manager, or the Members who requested the meeting fix a new record date for the adjourned meeting, but the Manager, or such Members, shall fix a new record date if the meeting is adjourned for more than forty-five (45) days from the date set for the original meeting.

8.4.7 Proxies. Every person entitled to vote or execute consents shall have the right to do so either in person or by one or more agents authorized by a written proxy executed by such person or his duly authorized agent and filed with the Manager. No proxy shall be valid after the expiration of eleven (11) months from the date thereof unless otherwise provided in the proxy. Every proxy continues in full force and effect until revoked as specified or unless it states that it is irrevocable. A proxy which states that it is irrevocable is irrevocable for the period specified therein.

8.4.8 Chairman of Meeting. The Manager may select any person to preside as chairman of any meeting of the Members, and if such person shall be absent from the meeting, or fail or be unable to preside, the Manager may name any other person in substitution therefor as chairman. The chairman of the meeting shall designate a secretary for such meeting who shall take and keep or cause to be taken and kept minutes of the proceedings thereof. The conduct of all Members' meetings shall at all times be within the discretion of the chairman of the meeting and shall be conducted under such rules as he may prescribe. The chairman shall have the right and power to adjourn any meeting at any time, without a vote of the Units present in person or represented by proxy, if the chairman shall determine such action to be in the best interests of the Company.

8.4.9 Inspectors of Election. In advance of any meeting of Members, the Manager may appoint any persons other than nominees for the Manager or other office as the inspector of election to act at the meeting and any adjournment thereof. If an inspector of election is not so appointed, or if any such person fails to appear or refuses to act, the Chairman of any such meeting may, and on the request of any Member or his proxy shall, make such appointment at the meeting. The inspector of election shall determine the number of Units outstanding and the voting power of each, the Units

represented at the meeting, the existence of a quorum, the authenticity, validity and effect of proxies, receive votes, ballots or consents, hear and determine all challenges and questions in any way arising in connection with the right to vote, count and tabulate all votes or consents, determine when the polls shall close, determine the result and do such acts as may be proper to conduct the election or vote with fairness to all Members.

8.4.10 Record Date and Closing Company Books. When a record date is fixed, only Members of record on that date are entitled to notice of and to vote at the meeting or to receive a Distribution, or allotment of rights, or to exercise the rights, as the case may be, notwithstanding any transfer of any Units on the books of the Company after the record date.

8.5 Rights of Members. No Member shall have the right or power to: (i) withdraw or reduce his or her contribution to the capital of the Company, except as a result of the dissolution and termination of the Company or as otherwise provided in this Agreement or by law; (ii) bring an action for partition against the Company; or (iii) demand or receive property other than cash in return for his Capital Contribution. Except as provided in this Agreement, no Member shall have priority over any other Member either as to the return of Capital Contributions or as to allocations of the Net Income, Net Loss or Distributions of the Company. Other than upon the termination and dissolution of the Company as provided by this Agreement, there has been no time agreed upon when the contribution of each Member (other than the initial Member) is to be returned.

8.6 Restrictions on the Members. No Member shall:

8.6.1 Disclose to any non-Member other than their lawyers, accountants or consultants and/or commercially exploit any of the Company's business practices, trade secrets or any other information not generally known to the business community, including the identity of suppliers utilized by the Company;

8.6.2 Do any other act or deed with the intention of harming the business operations of the Company; or

8.6.3 Do any act contrary to this Agreement.

8.7 Return of Capital of Member. In accordance with the Act, a Member may, under certain circumstances, be required to return to the Company, for the benefit of the Company's creditors, amounts previously distributed to the Member. If any court of competent jurisdiction holds that any Member is obligated to make any such payment, such obligation shall be the obligation of such Member and not of the Company, the Manager or any other Member.

8.8 Indemnification of Members. The Company shall indemnify, protect, defend and hold harmless the Members, in their capacity as Members (as opposed to the Manager which are indemnified pursuant to Section 7.7 in their capacity as a Manager), and their agents, employees, members, general partners and Affiliates and its and their respective successors and assigns, from and against any loss, liability, damage, cost or expense (including legal fees and expenses incurred in defense of any demands, claims or lawsuits) arising from actions or omissions concerning business or activities undertaken by or on behalf of the Company from any source. The Company shall advance to any Person entitled to indemnification pursuant to this Section such funds as shall be required to

pay legal fees and expenses incurred in defense of any demands, claims or lawsuits as they become due. Notwithstanding the foregoing, if the claim for indemnification is in connection with an action against the Company, or against another Indemnified Party by the person requesting the indemnification, the Company shall have no such obligation to advance any funds for the payment of legal fees and expenses. The obligations contained herein shall survive the termination or expiration of the Agreement until such time as an action against the Members is absolutely barred by the statute of limitations.

8.9 Voting by the Manager and its Affiliates as Members. The Manager and its Affiliates will have the right to vote for Units that it holds only to the extent that such Units represent fifteen percent (15%) or less of the total Units issued. If the Manager and its Affiliates own more than fifteen percent (15%) of the total Units issued, the Manager will vote such additional Units in conformance with the votes of the majority of Units owned by Members not affiliated with the Manager.

8.10 Member Actions Against the Company. In the event that a Member brings an action against the Company or the Manager to enforce any rights a Member may have under this Agreement and the Company or the Manager are found to have violated such Member rights, the Company shall reimburse all of the Member's costs and expenses, including reasonable attorneys' fees, incurred in enforcing its rights hereunder. In the event that a Member brings an action against the Company or the Manager to enforce any rights a Member may have under this Agreement and the Company or the Manager are found not to have violated such Member's rights, the Member shall reimburse the Company or the Manager, as applicable, all of the Company's or the Manager', as applicable, costs and expenses, including reasonable attorneys' fees, incurred in defending the Member's action which amounts may be withheld from Distributions otherwise due to the Member under this Agreement.

9. Resignation, Withdrawal or Removal of the Manager.

9.1 Resignation or Withdrawal of Manager. Subject to Section 10, the Manager shall not resign or withdraw as the Manager or do any act that would require its resignation or withdrawal without a Majority Vote.

9.2 Removal. The Manager may be removed by a Majority Vote only for (i) fraud, gross negligence or willful misconduct, or (ii) upon the occurrence of an Event of Insolvency of the Manager. Removal of the Manager shall not be effective until the Manager receives in cash the full value of its interest in the Company in the event that Section 9.3.1 is elected.

9.3 Purchase of Manager's Interest; Conversion to Economic Interest. Upon the removal of the Manager, the removed Manager shall elect one of the two following provisions:

9.3.1 Upon the removal of a Manager pursuant to Section 9.2 or its withdrawal with the approval of a Majority Vote: (i) the removed Manager's interest in the Distributions and allocations of Net Income and Net Loss set forth in this Agreement, and (ii) its interest in its right to the earned but unpaid fees and other compensation remaining to be paid under this Agreement, shall be purchased by the Company for a purchase price equal to the aggregate fair market value of the Manager's interest determined according to the provisions of Section 9.4; provided, however, that in the event the Manager

is removed as a result of fraud, willful malfeasance or gross negligence as determined by a court of law, the purchase price shall be reduced by any damages caused by any such fraud, willful misconduct or gross negligence. The purchase price of such interest shall be paid by the Company to the Manager in cash within 60 days of the determination of the aggregate fair market value; or

9.3.2 The Manager's interest in the Net Income, Net Loss and Distributions, and assets of the Company will be converted into an Economic Interest which will entitle the Manager to its share of Net Income, Net Loss and Distributions in accordance with this Agreement, but no voting or other rights with respect to management or operation of the Company other than those granted to any assignee. In such event, all earned but unpaid fees shall be paid at the closing.

9.4 Purchase Price of the Manager's Interest. The fair market value of a Manager's interest to be purchased by the Company pursuant to Section 9.3 shall be determined by agreement between the Manager and the Company, which agreement is subject to approval by a Majority Vote. For this purpose, the fair market value of the interest of the terminated Manager shall be computed as the present value of the future amount which could reasonably be expected to be realized by such Manager upon the sale of the Company's assets in the ordinary course of business at the time of removal. If the Manager and the Company cannot agree upon the fair market value of such Company interest within 30 days, the fair market value thereof shall be determined by appraisal, the Company and the terminated Manager each to choose one appraiser and the two appraisers so chosen to choose a third appraiser. The decision of a majority of the appraisers as to the fair market value of such Company interest shall be final and binding and may be enforced by legal proceedings. The terminated Manager and the Company shall each compensate the appraiser appointed by it and the compensation of the third appraiser shall be borne equally by such parties.

10. Assignment of a Manager's Interest.

10.1 Permitted Assignments. Except as otherwise provided in this Agreement, the Manager may not sell or otherwise transfer any part or all of its interest in the Company except with a Majority Vote. If the Members consent to the transfer, the interest may only be sold to the proposed transferee within the time period approved by the Members, or if later, within 90 days of such Majority Vote approving such transfer on the proposed terms and price. All costs of the transfer, including reasonable attorneys' fees (if any), shall be borne by the transferring Manager. The Manager may encumber its interest without the consent of the Members.

10.1.1 Any assignment or transfer of the Manager's interest provided for by this Agreement can be an assignment or transfer of all of its interest or any portion or part of its interest.

10.1.2 Any transfer of all or a part of the Manager's interest may be made only pursuant to the terms and conditions contained in this Section 10.

10.1.3 Any such assignment shall be by a written instrument of assignment, the terms of which are not in contravention of any of the provisions of this Agreement, and which has been duly executed by the assignee of the Manager's interest and accepted by the Members pursuant to a Majority Vote.

10.1.4 The assignor and assignee shall have executed, acknowledged, and delivered such other instruments as the Members pursuant to a Majority Vote, may deem necessary or desirable to effect such substitution of any such proposed transfer, and which shall include the written acceptance and adoption by the assignee of the provisions of this Agreement.

10.2 Substitute Manager. Upon acceptance by the Members of an assignment by the Manager, any assignee of such Manager's interest in compliance with this Section 10 shall be substituted as the Manager.

10.3 Transfer in Violation Not Recognized. Any assignment, sale, exchange or other transfer in contravention of the provisions of this Section 10 shall be void and ineffectual and shall not bind or be recognized by the Company.

10.4 Transfers to Affiliates. Notwithstanding the above, the Manager may assign its interest to an Affiliate without the consent of the Members

11. Assignment of Units.

11.1 Permitted Assignments. A Member may only sell, assign, hypothecate, encumber or otherwise transfer any part (but not less than the lesser of (i) one Unit or (ii) the Member's entire interest in the Company) or all of his or her Units if the following requirements are satisfied:

11.1.1 The Manager consent in writing to the transfer;

11.1.2 No Member shall sell, transfer, assign or convey or offer to transfer, assign or convey all or any portion of a Unit to any Person who does not possess the financial qualifications required of all persons who become Members, as described in the Memorandum;

11.1.3 No Member shall have the right to transfer any Unit to any minor or to any Person who, for any reason, lacks the capacity to contract for himself under applicable law. Such limitations shall not, however, restrict the right of any Member to transfer any one or more Units to a custodian or a trustee for a minor or other person who lacks such contractual capacity;

11.1.4 The Manager, with advice of counsel, must determine that such transfer will not jeopardize the applicability of the exemptions from the registration requirements under the Securities Act of 1933, as amended, and registration or qualification under state securities laws relied upon by the Company and Manager in offering and selling the Units or otherwise violate any federal or state securities laws;

11.1.5 The Manager, with advice of counsel, must determine that, despite such transfer, Units will qualify for one of the safe harbors described in the Treasury Regulations related to the publicly traded partnership rules and will not cause the Company's Units to be deemed to be "*traded on an established securities market*" or "*readily tradable on a secondary market*" (or the substantial equivalent thereof) under the provisions applicable to publicly traded partnership status. In making this determination, the Manager shall be entitled to limit any transfers so that the transfers comply with one of the safe harbors in the Treasury Regulations; provided, however that the Manager may, in their sole

discretion and upon receipt of an opinion from counsel that the Company will not be treated as a publicly traded partnership for federal income tax purposes, permit transfers that do not qualify for one of the safe harbors;

11.1.6 Any such transfer shall be by a written instrument of assignment, the terms of which are not in contravention of any of the provisions of this Agreement, and which has been duly executed by the assignor of such Units and accepted by the Manager in writing. Upon such acceptance by the Manager, such an assignee shall take subject to all terms of this Agreement and shall become an Economic Interest Owner;

11.1.7 A transfer fee shall be paid by the transferring Member in such amount as may be required by the Manager to cover all reasonable expenses, including attorneys' fees and lender's fees, connected with such assignment;

11.1.8 The transfer will not result in Employee Benefit Plans owning twenty-five percent (25%) or more of the Units;

11.1.9 The transfer will not cause a default with respect to any financing obtained by the Company; and

11.1.10The buyer and the seller shall comply with and use the terms described in the FINRA Uniform Practice Code, if applicable.

11.2 Substituted Member.

11.2.1 Conditions to be Satisfied. No Economic Interest Owner shall have the right to become a Substituted Member unless the Manager shall consent thereto in accordance with Section 11.2.2 and all of the following conditions are satisfied:

(a) A duly executed and acknowledged written instrument of assignment shall have been filed with the Company, which instrument shall specify the number of Units being assigned and set forth the intention of the assignor that the assignee succeed to the assignor's interest as a Substituted Member in his place;

(b) The assignor and assignee shall have executed, acknowledged and delivered such other instruments as the Manager may deem necessary or desirable to effect such substitution, which may include an opinion of counsel regarding the effect and legality of any such proposed transfer, and which shall include: (i) the written acceptance and adoption by the assignee of the provisions of this Agreement and (ii) the execution, acknowledgment and delivery to the Manager of a special power of attorney, the form and content of which are more fully described herein; and

(c) A transfer fee sufficient to cover all reasonable expenses connected with such substitution shall have been paid to the Company.

11.2.2 Consent of Manager. The consent of the Manager shall be required to admit an Economic Interest Owner as a Substituted Member. The granting or withholding of such consent shall be within the sole discretion of the Manager.

11.2.3 Consent of Members. By executing or adopting this Agreement, each Member hereby consents to the admission of additional or Substituted Members, and to any Economic Interest Owner becoming a Substituted Member upon consent of the Manager and in compliance with this Agreement.

11.3 Rights of Economic Interest Member. An Economic Interest Member shall be entitled to receive Distributions from the Company attributable to the Units acquired by reason of such assignment from and after the effective date of the assignment; provided, however, that notwithstanding anything herein to the contrary, the Company shall be entitled to treat the assignor of such Units as the absolute owner thereof in all respects, and shall incur no liability for allocations of Net Income and Net Loss or Distributions, or for the transmittal of reports or other information until the written instrument of assignment has been received by the Company and recorded on its books. The effective date of such assignment shall be the date on which all of the requirements of this Section have been complied with, subject to Section 4.9.

11.4 Right to Inspect Books. Economic Interest Owners shall have no right to inspect the Company's books or records, to vote on Company matters, or to exercise any other right or privilege as Members, until they are admitted to the Company as Substituted Members except as required by the Act.

11.5 Transfer Subject to Law. No assignment, sale, transfer, exchange or other disposition of any Units may be made except in compliance with the applicable governmental laws and regulations, including state and federal securities laws.

11.6 Transfer in Violation Not Recognized. Any assignment, sale, transfer, exchange or other disposition in contravention of the provisions of this Section 11 shall be void and ineffectual and shall not bind or be recognized by the Company.

11.7 Conversion to Economic Interest. Upon the transfer of a Unit in violation of this Agreement, the Membership Interest of a Member shall be converted into an Economic Interest.

11.8 Redemption of Units

11.8.1 After the first full quarter following the funding of a Member's subscription payment, Members, on a first come first served basis, at their option, may redeem all or any part of their Unreturned Capital Contributions, subject to the overall redemption limitations capping redemptions at 6.25% of the total capital invested in the Fund during any calendar quarter and 25% during any calendar year, as further described below. Early redemptions are not permitted during the first full calendar quarter after a Capital Contribution is funded. As part of such redemptions the Member shall also be paid any accrued and unpaid Stated Return based on the amount redeemed.

11.8.2 The redemption amount paid to Members reduces the amount of their Capital Contribution and thereafter the quarterly installments for the Stated Return shall be calculated based on such reduced Capital Contribution. Upon any such redemption the Member shall be paid any accrued and unpaid Stated Return on the amount redeemed through the date of such redemption.

11.8.3 After the expiration of the first full quarter calendar year following the funding of a Capital Contribution to the Fund, Members may redeem their Unreturned Capital Contributions, subject to a rolling aggregate cap on the amount of redemptions funded in any particular calendar quarter of 6.25% and 25% during each calendar year, in each case, based on the total Unreturned Capital Contributions for all of the Members during the applicable calendar quarter and/or calendar year and redemptions shall be made in the order of receipt of the redemption requests until the applicable cap is met with future redemptions made on a quarterly basis until all of the redemption requests have been satisfied (subject to the ongoing quarterly and annual cap limitations). The Member shall be entitled to any accrued and unpaid Stated Return accrued through the date of redemption. The Manager, at its sole option, may establish a fixed date in such calendar quarter and/or calendar year to establish the aggregate Unreturned Capital Contribution that will be used to establish the applicable quarterly and/or annual Redemption Cap or alternatively may utilize the actual amount of the aggregate Unreturned Capital Contributions of all of the Members on a rolling basis as redemption requests are received from the Members. Any requests for redemption which exceeds the Redemption Cap shall be given priority when the first applicable opening occurs for any such redemption, in whole or in part, which did not previously occur because of the Redemption Cap.

11.8.4 In addition, without any obligation, the Manager and/or designee may allow for a redemption which involves the transfer of Units, in lieu of such redemption if the Redemption Cap has been exceeded for any particular calendar quarter or year.

11.8.5 Redemptions may be undertaken either by the Fund or by the Manager (in such case also by an Affiliate and/or third party designated by the Manager). The Manager shall not have any obligation to undertake any such redemption and may do so at its sole discretion. If the Manager elects, in lieu of the Fund, to undertake any such redemption, then the Units and/or Membership Interests shall be purchased by the Manager or its designee (including an Affiliate and/or third party). If the Fund undertakes such redemption, then the Fund's loan receipts and/or reserves could be used to pay for such redemption (including any accrued unpaid Stated Return, in each case based on the amount redeemed).

11.8.6 The Fund shall endeavor to complete any such redemption within forty-five (45) days or less after the Manager receives a redemption request from the Member on the redemption request form. Once any such redemption is completed then the amount of a Member's Unreturned Capital Contribution shall be reduced by the amount of such redemption. In the event of partial redemption, the Stated Return, after the occurrence of any such partial redemption shall be calculated based on such reduced Unreturned Capital Contribution of such Member as of the redemption date.

11.8.7 In the event that there is a condition or projected circumstance that would cause the making of the Quarterly Distributions of the Stated Return materially adverse to the Fund, including a deterioration in general economic conditions, and/or those pertaining to the conditions of the Investments, the occurrence of a force majeure event(s), and/or the onset of a public health concern,

(collectively referred to as an "***Economic Disruption***"), as determined by Manager in its sole discretion, the Manager may suspend and/or reduce the Stated Return paid to Members until such condition or Economic Disruption has subsided to the point where the Manager determines that it may allow resumption of payment of the Stated Return to Members. During an Economic Disruption, the Stated Return set forth in the schedule above shall continue to accrue, but the cash Quarterly Distributions paid to Members may be reduced. Any catch-up of the accrued and unpaid Stated Return, which ordinarily would have been paid if an Economic Disruption had not occurred, shall be paid when the financial and economic conditions of the Investments allow, as determined in the sole discretion by the Manager.

11.9 Right of First Refusal. If any Member desires to transfer their Units, such Member shall give the Manager written notice of such proposed transfer (the "***Transfer Notice***") and offer to sell such Units to the Manager or its Affiliates and, at the election of the Manager, to the other Members, pro-rata based on their Units, at the price at which such Units are intended to be transferred by the Member to a third-party in a bona fide transaction. The Transfer Notice shall set forth the intended terms, conditions, price and the name and address of such third party. The Manager and its Affiliates (and the other Members if the Manager so elect) shall have the option for a period of ten (10) business days from the date of receipt of such written offer (the "***Offer Period***") to accept such offer, and two (2) months from the date of the receipt of such written offer to purchase the Units (the "***Option Period***") on the terms and conditions set forth therein. If the offer has not been accepted in writing prior to the expiration of the Offer Period, or, if so accepted in writing, the closing of the purchase of the Units by the Manager or its Affiliates or Members delivering such written acceptance has not occurred within the Option Period, the transferring Member shall have the right for a period of one hundred eighty (180) days following the end of the Offer Period (where no acceptance has been delivered by the Company or the Members) or the Option Period (where acceptance of the offer has been delivered but the applicable Units has not been purchased on or prior to the expiration of the Option Period), as applicable, to dispose of all (but not less than all) of such Units in accordance with the terms set forth in the Transfer Notice.

12. Books, Records, Accounting and Reports.

12.1 Records. The Company shall maintain at its principal office the Company's records and accounts of all operations and expenditures of the Company including the following:

12.1.1 A current list of the name and last known business, residence or mailing address of each Member and Manager;

12.1.2 A copy of the Certificate of Formation and all amendments thereto, together with any powers of attorney pursuant to which the Certificate of Formation or any amendments thereto were executed;

12.1.3 Copies of the Company's federal, state and local income tax or information returns and reports, if any, for the six (6) most recent fiscal years;

12.1.4 Copies of this Agreement and any amendments thereto together with any powers of attorney pursuant to which any written accounting or any amendments thereto were executed;

12.1.5 Copies of any financial statements of the Company, if any, for the six (6) most recent years; and

12.1.6 The Company's books and records as they relate to the internal affairs of the Company for at least the current and past four (4) fiscal years.

12.2 Delivery to Members and Inspection. Each Member, or its representative designated in writing, has the right, upon reasonable written request for purposes related to the interest of that person as a Member, which purposes are set forth in the written request, to receive from the Company:

12.2.1 True and full information regarding the status of the business and financial condition of the Company;

12.2.2 Promptly after becoming available, a copy of the Company's federal, state and local income tax returns for each year;

12.2.3 A current list of the name and last known business, residence or mailing address of each Member and Manager;

12.2.4 A copy of this Agreement and the Certificate of Formation and all amendments thereto, together with executed copies of any written powers of attorney pursuant to which this Agreement and the Certificate of Formation and all amendments thereto have been executed; and

12.2.5 True and full information regarding the amount of cash and a description and statement of the agreed value of any property or services contributed by each Member and which each Member has agreed to contribute in the future, and the date on which each became a Member.

12.3 The Company will endeavor to provide any such information as reasonably requested by a Member within ten (10) business days after receipt of any such written request.

12.4 Annual Audit and Reports. The Manager will cause the Company, at the Company's expense, to prepare an annual report containing an audited financial statement as of December 31st of the applicable year, of the Company's assets. Copies of such statements shall be made available to each Member within one hundred twenty (120) days after the close of each fiscal year of the Company. In addition, the Manager intend to distribute biannual reports containing information regarding the operation of the Investments owned by the Company. In addition, each Member has the right to perform a full inspection of all of the Company's books and records during normal business hours at the office of the Manager.

12.5 Tax Information. The Manager shall cause the Company, at the Company's expense, to prepare and timely file income tax returns for the Company with the appropriate authorities, and shall cause all Company information necessary in the preparation of the Members' individual income tax returns to be distributed to the Members not later than seventy-five (75) days after the end of the Company's fiscal year. The Manager shall also distribute a copy of the Company's tax return to a Member, if requested by such Member.

12.6 Confidentiality. The Manager shall have the right to keep confidential from the Members, for such period of time as the Manager deems reasonable, any information which the Manager reasonably believes to be in the nature of trade secrets or other information the disclosure of which the Manager in good faith believes is not in the best interest of the Company or could damage the Company or its business or which the Company is required by law or by agreement with a third party to keep confidential.

13. Termination and Dissolution of the Company.

13.1 Termination of Company. The Company shall be dissolved, shall terminate and its assets shall be disposed of, and its affairs wound up upon the earliest to occur of the following:

13.1.1 Upon the happening of any event of dissolution specified in the Certificate of Formation;

13.1.2 The occurrence of a Dissolution Event unless the business of the Company is continued by the consent of the remaining Members within ninety (90) days following the occurrence of the event;

13.1.3 A determination by the Manager to terminate the Company;

13.1.4 Upon the entry of a decree of judicial dissolution;

13.1.5 Payment of all outstanding balances to the Company on the Primary Loan and the distribution of such funds to the Members a return of their Capital Contributions.
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13.1.6 The expiration of the term of the Company.

13.2 Certificate of Cancellation. As soon as possible following the occurrence of any of the events specified in Section 14.1, the Manager who has not wrongfully dissolved the Company or, if none, the Members, shall execute a Certificate of Cancellation in such form as shall be required by the Act.

13.3 Liquidation of Assets. Upon a dissolution and termination of the Company, the Manager (or in case there is no Manager, the Members or Person designated by a Majority Vote) shall take full account of the Company assets and liabilities, shall liquidate the assets as promptly as is consistent with obtaining the fair market value thereof, and shall apply and distribute the proceeds therefrom in the following order:

13.3.1 To the payment of creditors of the Company but excluding secured creditors whose obligations will be assumed or otherwise transferred on liquidation of Company assets;

13.3.2 To the setting up of any reserves as required by law for any liabilities or obligations of the Company; provided, however, that said reserves shall be deposited with a bank or trust company in escrow at interest for the purpose of disbursing such reserves for the payment of any

of the aforementioned contingencies and, at the expiration of a reasonable period, for the purpose of distributing the balance remaining in accordance with remaining provisions of this Section 14.3; and

13.3.3 To the Members as set forth in Section 5.1, which is intended to be in proportion to their positive Capital Account balances as of the date of such Distribution, after giving effect to all Capital Contributions, Distributions and allocations for all periods, including the period during which such Distribution occurs.

13.4 Distributions Upon Dissolution. Each Member shall look solely to the assets of the Company for all Distributions and its Capital Contributions, and shall have no recourse therefor (upon dissolution or otherwise) against any Manager or any Member. No Member shall be required to restore any deficit in the Member's Capital Account.

13.5 Liquidation of Member's Interest. If there is a Liquidation of a Member's or Manager's interest in the Company, any liquidating Distribution pursuant to such Liquidation shall be made only to the extent of the positive Capital Account balance, if any, of such Member or Manager for the taxable year during which such Liquidation occurs after proper adjustments for allocations and Distributions for such taxable year up to the time of Liquidation. Such Distributions shall be made by the end of the taxable year of the Company during which such Liquidation occurs, or if later, within ninety (90) days after such Liquidation.

14. Special and Limited Power of Attorney.

14.1 Power of Attorney. The Manager shall at all times during the term of the Company have a special and limited power of attorney as the attorney-in-fact for each Member, with power and authority to act in the name and on behalf of each such Member to execute, acknowledge, and swear to in the execution, acknowledgment and filing of documents which are not inconsistent with the provisions of this Agreement and which may include, by way of illustration but not by limitation, the following:

14.1.1 This Agreement, as well as any amendments to the foregoing which, under the laws of the State of Delaware or the laws of any other state, are required to be filed or which the Manager shall deem it advisable to file;

14.1.2 Any other instrument or document that may be required to be filed by the Company under the laws of any state or by any governmental agency or which the Manager shall deem it advisable to file;

14.1.3 Any instrument or document that may be required to effect the continuation of the Company, the admission of Substituted Members, or the dissolution and termination of the Company (provided such continuation, admission or dissolution and termination are in accordance with the terms of this Agreement);

14.1.4 Any document or agreement relating to the Primary Loan made by the Company to the Primary Borrower; and

14.1.5 Any and all other instruments as the Manager may deem necessary or desirable to effect the purposes of this Agreement and carry out fully its provisions.

14.2 Provision of Power of Attorney. The special and limited power of attorney of the Manager:

14.2.1 Is a special power of attorney coupled with the interest of the Manager in the Company, and its assets, is irrevocable, shall survive the death, incapacity, termination or dissolution of the granting Member, and is limited to those matters herein set forth;

14.2.2 May be exercised by the Manager and/or by and through one or more of the officers of a Manager for each of the Members by the signature of the Manager acting as attorney-in-fact for all of the Members, together with a list of all Members executing such instrument by their attorney-in-fact or by such other method as may be required or requested in connection with the recording or filing of any instrument or other document so executed; and

14.2.3 Shall survive an assignment by a Member of all or any portion of his Units except that, where the assignee of the Units owned by the Member has been approved by the Manager for admission to the Company as a Substituted Member, the special power of attorney shall survive such assignment for the sole purpose of enabling the Manager to execute, acknowledge and file any instrument or document necessary to effect such substitution.

14.3 Notice to Members. The Manager shall promptly furnish to a Member a copy of any amendment to this Agreement executed by the Manager pursuant to a power of attorney from the Member.

15. Relationship of this Agreement to the Act. Many of the terms of this Agreement are intended to alter or extend provisions of the Act as they may apply to the Company or the Members. Any failure of this Agreement to mention or specify the relationship of such terms to provisions of the Act that may affect the scope or application of such terms shall not be construed to mean that any of such terms is not intended to be a limited liability company agreement provision authorized or permitted by the Act or which in whole or in part alters, extends or supplants provisions of the Act as may be allowed thereby.

16. Amendment of Agreement.

16.1 Admission of Member. Amendments to this Agreement for the admission of any Member or Substituted Member shall not, if in accordance with the terms of this Agreement, require the consent of any Member.

16.2 Amendments with Consent of Member. In addition to any amendments otherwise authorized herein, this Agreement may be amended by the Manager with a Majority Vote of the Units.

16.3 Amendments Without Consent of the Members. In addition to the Amendments authorized pursuant to Section 4.10 and Section 7.2.15 or otherwise authorized herein, the Manager may amend this Agreement, without the consent of any of the Members, to (i) change the name and/or principal place of business of the Company, or (ii) decrease the rights and powers of the Manager (so

long as such decrease does not impair the ability of the Manager to manage the Company and conduct its business and affairs); provided, however, that no amendment shall be adopted pursuant to this Section 17.3 unless the adoption thereof (A) is for the benefit of or not adverse to the interests of the Members, and (B) does not affect the limited liability of the Members or the status of the Company as a partnership for federal income tax purposes.

16.4 Execution and Recording of Amendments. Any amendment to this Agreement shall be executed by the Manager, and by the Manager as attorney-in-fact for the Members pursuant to the power of attorney contained in Section 15. After the execution of such amendment, the Manager shall also prepare and record or file any certificate or other document which may be required to be recorded or filed with respect to such amendment, either under the Act or under the laws of any other jurisdiction in which the Company holds any property or otherwise does business.

17. Miscellaneous.

17.1 Counterparts. This Agreement may be executed in several counterparts, and all so executed shall constitute one Agreement, binding on all of the parties hereto, notwithstanding that all of the parties are not signatory to the original or the same counterpart. Signatures hereto may be evidenced by facsimile transmission or electronic mail in portable document format ("**PDF**"), the same of which shall be treated as originals.

17.2 Successors and Assigns. The terms and provisions of this Agreement shall be binding upon and shall inure to the benefit of the successors and assigns of the respective Members.

17.3 Severability. In the event any sentence or Section of this Agreement is declared by a court of competent jurisdiction to be void, such sentence or Section shall be deemed severed from the remainder of this Agreement and the balance of this Agreement shall remain in full force and effect.

17.4 Notices. All notices under this Agreement shall be in writing and shall be given to the Member or Economic Interest Member entitled thereto, by personal service or by mail, posted to the address maintained by the Company for such person or at such other address as he may specify in writing.

17.5 Manager's Address. The name and address of the Manager is as follows:

TEI Quarterly Debt Fund Manager LLC
55 Fifth Avenue
15th Floor
New York, New York 10003
Attention: Robert Kantor

17.6 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware.

17.7 Captions. Section titles or captions contained in this Agreement are inserted only as a matter of convenience and reference. Such titles and captions in no way define, limit, extend or describe the scope of this Agreement nor the intent of any provisions hereof.

17.8 Gender. Whenever required by the context hereof, the singular shall include the plural, and vice versa, the masculine gender shall include the feminine and neuter genders, and vice versa.

17.9 Additional Documents. Each Member, upon the request of the Manager, shall perform any further acts and execute and deliver any documents which may be reasonably necessary to carry out the provisions of this Agreement, including, but not limited to, providing acknowledgment before a Notary Public of any signature made by a Member.

17.10Descriptions. All descriptions referred to in this Agreement are expressly incorporated herein by reference as if set forth in full, whether or not attached hereto.

17.11Attorneys' Fees. In the event that litigation is commenced to enforce any of the provisions of this Agreement, to recover damages for breach of any of the provisions of this Agreement, or to obtain declaratory relief in connection with any of the provisions of this Agreement, the prevailing party shall be entitled to recover reasonable attorneys' fees and costs, whether or not such action proceeds to judgment. The prevailing party shall be determined by either the officiating judge in the matter or by the presiding judge of the applicable New York City court.

17.12Venue. Any Action relating to or arising out of this Agreement shall be brought only in a court of competent jurisdiction located in New York City, New York.

17.13Partition. The Members agree that the assets of the Company are not and will not be suitable for partition. Accordingly, each of the Members hereby irrevocably waives any and all rights that he may have, or may obtain, to maintain any action for partition of any of the assets of the Company.

17.14Integrated and Binding Agreement. This Agreement contains the entire understanding and agreement among the Members with respect to the subject matter hereof, and there are no other agreements, understandings, representations or warranties among the Members other than those set forth herein except the Subscription Agreement. This Agreement may be amended only as provided in this Agreement.

17.15Legal Counsel. Each Member acknowledges and agrees that counsel representing the Company, the Manager and its Affiliates does not represent and shall not be deemed under the applicable codes of professional responsibility to have represented or to be representing any or all of the Members, other than the Manager (if applicable), in any respect. In addition, each Member consents to the Manager hiring counsel for the Company which is also counsel to one or more of the Manager.

17.16Title to Company Property. All property and/or assets owned by the Company shall be owned by the Company as an entity and, insofar as permitted by applicable law, no Member shall have

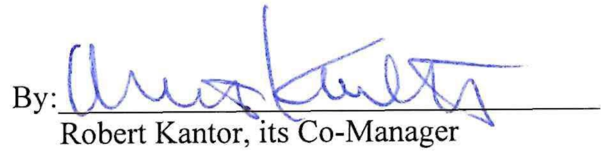
any ownership interest in any Company property and/or assets in its individual name or right, and each Member's Membership Interest shall be personal property for all purposes.

(SIGNATURE PAGE TO FOLLOW)

IN WITNESS WHEREOF, this Agreement is effective as of the date first set forth in the preamble.

MANAGER:

TEI Quarterly Debt Fund Manager LLC

By: 
Robert Kantor, its Co-Manager

DEFINITIONS

"***Act***" shall mean the Delaware Limited Liability Company Act, as the same may be amended from time to time.

"***Adjusted Capital Account Deficit***" shall mean, with respect to any Member, the deficit balance, if any, in such Member's Capital Account as of the end of the relevant fiscal year, after giving effect to the following adjustments:

(i) Credit to such Capital Account any amounts which the Member is obligated to restore and the Member's share of Member Minimum Gain and Company Minimum Gain; and

(ii) Debit to such Capital Account the items described in Treasury Regulations Sections 1.704-1(b)(2)(ii)(d)(4), 1.704-1(b)(2)(ii)(d)(5), and 1.704-1(b)(2)(ii)(d)(6).

"*Affiliates*" shall mean any of the following: (i) A principal, member and/or manager of the Manager, their respective family members and/or trust for the benefit of family members; or (ii) any entity which is directly and/or indirectly managed, or co-managed with a third party joint venture partner, by any of the principals, managers and/or members of the Manager (including Francis Greenburger, Robert Kantor, TEI LLC, and/or Time Equities, Inc.) and in which Affiliates own a beneficial ownership interest in such entity, regardless of the amount of such beneficial ownership interest. Affiliates shall also include any employees of Time Equities, Inc.

"***Affiliate Loans***" shall mean the loans made by the Primary Borrower to Affiliates of TEI. The Affiliates may use loan proceeds for any legal purpose. Such purposes include, but are not limited to: (i) general working capital; (ii) operating costs and expenses; (iii) investments; (iv) acquisitions of real or personal property; and (v) funding of capital expenses, capital improvements, and leasing costs (tenant improvements and leasing commissions).

"***Agreement***" shall mean this Limited Liability Company Agreement, as amended from time to time.

"***Book Gain***" shall mean the excess, if any, of the fair market value of an asset over its adjusted basis for federal income tax purposes at the time a valuation of such asset is required under this Agreement or Treasury Regulations Section 1.704-1(b) for purposes of making adjustments to the Capital Accounts.

"***Book Loss***" shall mean the excess, if any, of the adjusted basis of an asset for federal income tax purposes over its fair market value at the time a valuation of such asset is required under this Agreement or Treasury Regulations Section 1.704-1(b) for purposes of making adjustments to the Capital Accounts.

"***Book Value***" shall mean the adjusted basis of an asset for federal income tax purposes increased or decreased by Book Gain, Book Loss, Built-In Gain and Built-In Loss as reduced by depreciation, amortization or other cost recovery deductions, or otherwise, based on such Book Value.

"***Built-In Gain (or Loss)***" shall mean the amount, if any, by which the agreed value of contributed an asset exceeds (or is lower than) the adjusted basis of an asset contributed to the Company by a Member immediately after its contribution by the Member to the capital of the Company.

"***Capital Account***" with respect to any Member (or such Member's assignee) shall mean such Member's Capital Contribution adjusted as follows:

(i) A Member's Capital Account shall be increased by:

(a) such Member's share of Net Income;

(b) any item of income or gain specially allocated to a Member and not included in Net Income or Net Loss;

(c) any additional cash Capital Contribution made by such Member to the Company; and

(d) the fair market value of any additional Capital Contribution, as determined by the Manager, consisting of property contributed by such Member to the capital of the Company reduced by any liabilities assumed by the Company in connection with such contribution or to which the Investments is subject.

(ii) A Member's Capital Account shall be reduced by:

(a) such Member's share of Net Loss;

(b) any deduction specially allocated to a Member and not included in Net Income or Net Loss;

(c) any cash Distribution made to such Member; and

(d) the fair market value, as determined by the Manager, of any property or assets (reduced by any liabilities assumed by a Member in connection with the Distribution or to which the distributed property or assets are subject) distributed to such Member; provided that, upon liquidation and winding up of the Company, unsold assets or property will be valued for Distribution at its fair market value and the Capital Account of each Member before such Distribution shall be adjusted to reflect the allocation of gain or loss that would have been realized had the Company then sold such property or assets for its fair market value. Such fair market value shall not be less than the amount of any nonrecourse indebtedness that is secured by the Investments.

Assets other than money may not be contributed to the Company except as specifically provided in this Agreement. Assets of the Company may not be revalued for purposes of calculating Capital Accounts unless the Manager determines the fair market value of the Investments and Company complies with the requirements of Treasury Regulations Section 1.704-1(b)(2)(iv)(f) and (g); provided, however, for purposes of calculating Book Gain or Book Loss (but not for purposes of adjusting Capital Accounts to reflect the contribution and distribution of such asset), the fair market value of an asset shall

be deemed to be no less than the outstanding balance of any nonrecourse indebtedness secured by such asset.

The Capital Account of a Substituted Member shall include the Capital Account of his transferor. Notwithstanding anything to the contrary in this Agreement, the Capital Accounts shall be maintained in accordance with Treasury Regulations Section 1.704-1(b). For purposes of this Agreement, any references to the Treasury Regulations shall include corresponding subsequent provisions.

"***Capital Contribution***" shall mean the gross amount invested in the Company by a Member and shall be equal in amount to the cash purchase price paid by such Member for the Units sold to him by the Company. In the plural, "***Capital Contributions***" shall mean the aggregate amount invested by all of the Members in the Company and shall equal, in total, the sum of the amount attributable to the purchase of Units and the contributions of the Manager. For purposes of any Member who purchases a Unit pursuant to Section 3.2.3, the Capital Contribution shall be deemed $25,000.00 per Unit for purposes of determining the Stated Return and for purposes of determining Unreturned Capital Contributions.

"***Company Cash Flow***" shall have the meaning as set forth in Section 5.1.

"***Certificate of Formation***" shall mean the Certificate of Formation of the Company as filed with the Secretary of State of Delaware as the same may be amended or restated from time to time.

"***Code***" shall mean the Internal Revenue Code of 1986, as amended, or corresponding provisions of subsequently enacted federal revenue laws.

"***Company***" and/or "***Fund***" shall mean TEI Quarterly Debt Fund LLC, a Delaware limited liability company.

"***Company Minimum Gain***" shall have the same meaning as "*partnership minimum gain*" as set forth in Treasury Regulations Section 1.704-2(d).

"***Dissolution Event***" shall mean with respect to the Manager one or more of the following: the withdrawal, resignation, removal, Event of Insolvency or dissolution (unless reconstituted by the Manager) of the Manager unless the Members consent to continue the business of the Company pursuant to Section 8.2.6.

"***Distribution***" or collectively "***Distributions***" shall refer to any money or other property transferred without consideration to Members with respect to their interests in their Units in the Company, but shall not include any payments to the Manager pursuant to Section 6.

"***Economic Interest***" shall mean an interest in the Net Income, Net Loss and Distributions of the Company but shall not include any right to vote or to participate in the management of the Company.

"***Economic Interest Owner***" shall mean an Affiliate of an Economic Interest who is not a Member.

“***Employee Benefit Plan***” shall have the meaning set forth in Section 3(3) of the Employee Retirement Income Security Act of 1974.

“***Event of Insolvency***” shall occur when an order for relief against the Manager is entered under Chapter 7 of the federal bankruptcy law, or (A) the Manager: (1) make a general assignment for the benefit of creditors, (2) file a voluntary petition under the federal bankruptcy law, (3) file a petition or answer seeking for that Manager’s a reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any statute, law or regulation, (4) file an answer or other pleading admitting or failing to contest the material allegations of a petition filed against the Manager in any proceeding of this nature, or (5) seek, consent to, or acquiesce in the appointment of a trustee, receiver, or liquidator of that Manager or of all or a substantial part of that Manager’s properties, or (B) the expiration of sixty (60) days after either (1) the commencement of any proceeding against the Manager seeking reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any statute, law, or regulation, if the proceeding has not been dismissed, or (2) the appointment without the Manager’s consent or acquiescence of a trustee, receiver, or liquidator of the Manager or of all or any substantial part of the Manager’s properties, if the appointment has not been vacated or stayed (or if within sixty (60) days after the expiration of any such stay, the appointment is not vacated).

“***Guarantor***” shall mean TEI LLC, a New York limited liability company, solely owned by Francis Greenburger. TEI LLC is the Guarantor of the Primary Loan.

“*Initial Offering Amount*” shall mean one hundred twenty (120) Units at a purchase price of $250,000.00 per Unit, or $30,000,000.00.

“***Interest***” shall mean a Membership Interest or an Economic Interest.

“***Investments***” shall mean a wide range of real or personal properties, other investments, and/or interests it is anticipated that Affiliates may own. The types of Investments owned by Affiliates may include, but are not limited to, office, industrial, retail, residential and special-use real properties located throughout the world, personal property, including but is not limited to, commodities, stock, membership or partnership interests, renewable and sustainable energy projects, mortgage loans, unsecured and secured loans, Affiliate Loans and/or mezzanine loans, and/or other private equity investments.

“***Initial Offering Amount***” shall mean the offering of up to 20,000 Units of membership interests at a purchase price of $5,000 per Unit for an initial aggregate offering amount of $100,000,000.

“***Original Invested Capital Amount***” shall mean the aggregate amount invested in the Company by the Members on or prior to the Offering Termination Date.

“***Liquidation***” shall mean in respect to the Company the earlier of the date upon which the Company is terminated under Section 708(b)(1) of the Code or the date upon which the Company ceases to be a going concern (even though it may exist for purposes of winding up its affairs, paying its debts and distributing any remaining balance to its Members), and in respect to a Member where the Company is not in Liquidation shall mean the date upon which occurs the termination of the Member’s entire

interest in the Company by means of a distribution or the making of the last of a series of Distributions (whether or not made in more than one year) to the Member by the Company.

"***Majority Vote***" shall mean the vote of more than fifty percent (50%) of the Units entitled to vote. Members shall be entitled to cast one vote for each Unit they own, and a fractional vote for each fractional Unit they own.

"***Manager***" shall refer to **TEI Quarterly Debt Fund Manager LLC**, a Delaware limited liability company. Francis Greenburger and Robert Kantor, the chief executives of TEI are the "***Co-Managers***" the Manager. The term "**Manager**" shall also refer to any successor or additional Manager who is admitted to the Company as the Manager.

"*Maximum Offering Amount*" shall mean, provided the net worth of TEI LLC (as the Guarantor of the Primary Loan as hereafter described) is a minimum of $400,000,000, as indicated on TEI LLC's then most recent financial statement, the Manager, in its sole discretion, at any time prior to the Offering Termination Date, may increase the amount of the Offering to any amount above $200,000,000, but not to exceed $300,000,000. Such an increase will be effectuated by issuing up to a maximum of 60,000 units.

"***Member***" or "***Investor***" shall mean any holder of a Unit who is admitted to the Company as a Member, including a Manager to the extent it has acquired Units.

"***Member Minimum Gain***" shall mean "*partner nonrecourse debt minimum gain*" as determined under Treasury Regulations Section 1.704-2(i)(3).

"***Member Nonrecourse Debt***" shall mean "*partner nonrecourse debt*" as set forth in Treasury Regulations Section 1.704-2(b)(4).

"***Member Nonrecourse Deductions***" shall mean "*partner nonrecourse deductions*" as set forth in Treasury Regulations Section 1.704-2(i).

"***Membership Interest***" shall mean a Member's entire interest in the Company including such Member's Economic Interest and such voting and other rights and privileges that the Member may enjoy by being a Member.

"***Memorandum***" shall mean the Confidential Private Placement Memorandum pertaining to the Offering distributed to potential purchasers of Units, as may be amended or supplemented from time to time.

"***Net Income***" or "***Net Profit***" or "***Net Loss***" shall mean, respectively, for each taxable year of the Company the taxable income and taxable loss (exclusive of Built-In Gain or Loss) of the Company as determined for federal income tax purposes in accordance with Section 703(a) of the Code (including all items of income, gain, loss, or deduction required to be separately stated pursuant to Section 703(a)(1) of the Code) (other than any specific item of income, gain (exclusive of Built-In Gain), loss (exclusive of Built-In Loss), deduction or credit subject to special allocation under this Agreement), with the following modifications:

(a) The amount determined above shall be increased by any income exempt from federal income tax; and

(b) The amount determined above shall be reduced by any expenditures described in Section 705(a)(2)(B) of the Code or expenditures treated as such pursuant to Treasury Regulations Section 1.704-1(b)(2)(iv)(i).

"***Nonrecourse Debt***" shall have the meaning set forth in Treasury Regulations Section 1.704-2(b)(3).

"***Nonrecourse Deductions***" shall have the meaning, as set forth in Treasury Regulations Section 1.704-2(c).

"***Offer Period***" shall have the meaning set forth in Section 11.9.

"***Offering***" shall mean the offering and sale of the Units made in accordance with the provisions of Section 3.2.

"***Offering Period***" shall mean the period of this offering until the Offering Termination Date.

"***Offering Proceeds***" shall mean the subscription payments received and accepted for the Offering.

"*Offering Termination Date*" shall mean the Units are being offered at the discretion of the Manager until the date the Initial Offering Amount is fully funded or the Maximum Offering Amount is fully funded, if the Manager decides to increase the amount of the Offering as described hereinabove. Notwithstanding the foregoing, the Manager may terminate this Offering at an earlier date in the sole discretion of the Manager, but in no event earlier than **January 1, 2025**.

"***Option Period***" shall have the meaning set forth in Section 11.11.

"***Organization and Offering Expenses***" shall mean all expenses incurred in connection with the organization and formation of the Company, the preparation of the offering materials, and the marketing and sale of the Units, including but not limited to legal, accounting, tax planning fees, promotional fees or expenses, filing and recording fees, market research and surveys, property inspections and research, engineering services, printing costs, securities sales commissions, travel expenses and other costs or expenses incurred in connection therewith.

"***Person***" shall mean a natural person, corporation, limited partnership, general partnership, joint stock company, joint venture, association, company, trust, bank trust company, land trust, business trust, statutory trust or other organization, whether or not a legal entity, and a government or agency or political subdivision thereof.

"***Primary Borrower***" TEI Quarterly Debt Fund Borrower LLC, a newly formed Delaware limited liability company. The Primary Borrower is wholly owned by TEI LLC, the Guarantor of the Primary Loan, and managed by Francis Greenburger and Robert Kantor (the "***Primary Borrower Co-***

Managers”). The Primary Borrower serves as a financial intermediary that lends money to Affiliates under the Affiliate Loans.

“***Primary Loan***” shall mean the Primary Loan made by the Company to the Primary Borrower, as further described in Section 3.4.

“***Prime Rate***” shall mean the reference rate announced from time-to-time by the Wall Street Journal, and changes in the Prime Rate shall be deemed to occur on the date that changes in such rate are announced.

“***Quarterly Distributions***” shall mean that Distributions will begin following the first full calendar quarter after the date of the Company’s receipt of an Investor’s Capital Contribution and acceptance of an Investor’s executed Subscription Agreement until the earlier of: (i) the redemption of all Units held by the Investors; or (ii) the payoff of the Primary Loan; or (iii) date that there is no longer any Unreturned Capital Contributions. The Company intends to commence making Quarterly Distributions to the Members beginning in the first full calendar quarter after the date of the Company’s receipt of an Investor’s Capital Contribution and acceptance of an Investor’s executed Subscription Agreement. Quarterly Distributions are paid in arrears and any amounts accrued for any partial calendar quarter of an Investor’s Capital Contribution will be paid with the first Quarterly Distribution following the first full calendar quarter after the date of the Company’s receipt of an Investor’s Capital Contribution and acceptance of an Investor’s executed Subscription Agreement.

“**Redemption Cap**” shall mean the cumulative quarterly and annual caps on the amount of redemptions that the Members shall be entitled to undertake in any calendar quarter or year on a first come, first serve basis. Such quarterly cap shall be an amount equal to 6.25% of the aggregate Unreturned Capital Contributions of the Members and such annual cap shall be 25% of the aggregate amount of the Unreturned Capital Contributions of the Members.

“***Regulatory Allocations***” shall mean the allocations set forth in Sections 4.2.1 through 4.2.7.

“***SD Fee***” shall mean that the Company shall pay an annual servicing and distribution fee equal to 1.50% of the Capital Contributions in the Fund (the “***SD Fee***”). Such annual SD Fee shall be calculated and paid in quarterly installments equal to 0.375% of the Capital Contributions in the Fund as of the last day of each calendar quarter.

“***Stated Return***” shall mean the Distributions to the Members from Company Cash Flow and/or Offering Proceeds, based on the Stated Annual Distribution Rate.

“***Stated Annual Distribution Rate***” shall mean the rate equal to 7% per annum through December 31, 2024. Thereafter, commencing January 1, 2025, and on the first business day of each calendar quarter thereafter (January 1, April 1, July 1, and October 1 of each calendar year), the Stated Return shall be adjusted to be equal to the Three (3) Month U.S. Treasury Bill (the “3 Month UST”) plus one hundred fifty (150) basis points. The 3 Month UST shall be determined as being equal to the “closing price” of record as set forth in the Daily Treasury Statement published by the U.S. Department of the Treasury at 4:00 p.m. Eastern (or the market closing time) on the last business day of each previous calendar quarter.

"***Subscription Agreement***" means the agreement, in the form attached to the Memorandum, by which each person desiring to become a Member shall evidence (i) the number of Units which such person wishes to acquire, (ii) such person's agreement to become a party to, and be bound by the provisions of, this Agreement and (iii) certain representations regarding the person's finances and investment intent.

"***Subscription Payment***" shall mean the cash payment that must accompany each subscription for Units sold through the Offering.

"***Substituted Member***" shall mean any Person admitted as a substituted Member pursuant to this Agreement.

"***Tax Payment***" shall have the meaning set forth in Section 4.12.

"***TEI***" or "***Sponsor***" shall mean Time Equities, Inc., a New York corporation.

"***TEI LLC Financial Covenant***" shall mean the covenant that, measured as of the end of each calendar year, the net worth of TEI LLC (as set forth on its most recent financial statement) shall be no less than 2.0x the amount of the Primary Loan.

"***TEI LLC Guaranty***" shall mean the guarantee of the Primary Loan obligations. In the event the Primary Loan payments made to the Company are not sufficient to permit the Company to make the quarterly Stated Return distributions and the repayment of 100% of the Capital Contributions made to the Company, TEI LLC, a New York limited liability company (that is wholly owned by Francis Greenburger), shall guarantee repayment to the Company of the amount needed by the Company to make the quarterly Stated Return distributions and the return of one hundred percent (100%) of the Capital Contributions made to the Company pursuant to allowable redemption requests or upon the termination of the Company). TEI LLC's net worth was in excess of $300,000,000 as of the most recent Financial Statement dated December 31, 2022 and is expected to be equal to or greater than that amount as of the end of 2023 (the 2023 statement is projected to be issued by the end of August, 2024).

"***TES***" means Time Equities Securities LLC, a Delaware limited liability company.

"***Transfer Notice***" shall have the meaning set forth in Section 11.11.

"***Unit***" shall represent an interest in the Company entitling an Affiliate of the Unit, if admitted as a Member, to the respective voting and other rights afforded to a Member, and affording to such Member a share in Net Income, Net Loss and Distributions as provided for in this Agreement.

"***Unreturned Capital Contribution***" shall mean a Member's Capital Contributions. "***Unreturned Capital Contributions***" shall collectively mean such Unreturned Capital Contributions of the Members.

EXHIBIT B

INSTRUCTIONS TO INVESTORS FOR COMPLETION OF THE SUBSCRIPTION AGREEMENT

Please read carefully the Confidential Private Placement Memorandum of Membership Interests (the "**Units**" in TEI Quarterly Debt Fund LLC (the "**Company**"), dated May 29, 2024, and all Exhibits and supplements thereto (the "**Memorandum**") before deciding to subscribe.

You should examine the suitability of this type of investment in the context of your own needs, investment objectives, and financial capabilities and should make your own independent investigation and decision as to suitability and as to the risk and potential gain involved. Also, you are encouraged to consult with your own attorney, accountant, financial consultant or other business or tax advisor regarding the risks and merits of the proposed investment.

This Offering of Membership Interests is limited to investors who certify that they meet all of the qualifications set forth in the Memorandum. If you meet these qualifications and desire to purchase the Membership Interests, then please complete, execute and deliver the Subscription Agreement, Operating Agreement Signature Page ("**Exhibit A"**) and Independent Third-Party Verification Letter Template ("**Exhibit B"**) along with your check or wire in the amount of the Subscription Price.

SEND THE EXECUTED SUBSCRIPTION AGREEMENT AND CHECK TO:

TEI Quarterly Debt Fund LLC
C/O Time Equities Securities, LLC
55 Fifth Avenue, 15th Floor
New York, NY 10003

OR EMAIL TO: TESecurities@timeequities.com

MAKE CHECKS PAYABLE TO: TEI Quarterly Debt Fund LLC

INVESTOR FUNDS CAN ALSO BE WIRED TO THE FOLLOWING:

Bank Name: ____.

ABA Routing Number: ____.

GL Account Number: ____.

Account Name: ____.

Upon receipt of the signed Subscription Agreement, verification of your investment qualifications, and acceptance of your subscription by the Company (in the Manager's sole discretion), the Company will execute the Subscription Agreement and notify you of the receipt and acceptance of your subscription. The Company may accept or reject any subscription in whole or in part for a period of 30 days after receipt of the Subscription Agreement, payment in full and any other subscription documents requested by the Company. Any subscription not accepted within 30 days of receipt will be deemed rejected.

SPECIAL INSTRUCTIONS: In all cases, the person or entity actually making the investment decision to purchase the Membership Interest should complete and sign the Subscription Agreement. For example, if the investor purchasing the Membership Interest is a retirement plan for which investments are directed or made by a third-party trustee, then that third party trustee must complete the Subscription Agreement rather than the beneficiaries under the retirement plan. This also applies to trusts, custodial accounts and similar arrangements. You must list your principal place of residence rather than your office or other address on the signature page to the Subscription Agreement so that the Company can confirm compliance with appropriate securities laws. If you wish for correspondence sent to an address other than your principal residence, please provide a mailing address where indicated in "**Item C. Investor Information**".

SUBSCRIPTION AGREEMENT
FOR MEMBERSHIP INTERESTS IN TEI QUARTERLY DEBT FUND LLC

This is the offer and agreement (the "**Subscription Agreement**") of the undersigned to purchase the units of membership interest in the Offering to be issued TEI Quarterly Debt Fund LLC, for the total Subscription Price set forth below, subject to the terms, conditions, acknowledgments, representations and warranties stated herein and in the Confidential Private Placement Memorandum dated May 29, 2024 relating to the offer of up to 60,000 Units ($300,000,000.00) in the Company. Simultaneously with the execution and delivery hereof, I am transmitting a check **payable to the order of "TEI Quarterly Debt Fund LLC"** in the amount of the Subscription Price set forth below for the Units I am purchasing or alternatively, I am wiring funds representing the Subscription Price in accordance with the wiring instructions on the front page of this Subscription Agreement. All terms used herein shall have the meanings set forth in the Memorandum.

In order to induce the Company to accept this Subscription Agreement and as further consideration for such acceptance, I hereby make the following acknowledgments, representations and warranties with the full knowledge that the Company will expressly rely on the following acknowledgments, representations and warranties in making a decision to accept or reject this Subscription Agreement:

1. **I hereby adopt, confirm and agree to all of the covenants, representations and warranties set forth in this Subscription Agreement.**

2. **I am agreeing to purchase _____________________membership units for a purchase price of $5,000/unit.**

   (5 Unit or $25,000 minimum) for a total purchase price of $____________________________________ in
   (*insert dollar amount)*

   cash (the "Subscription Price").

3. **My primary state of residence is: ____**

4. **My date of birth is: ____**
   (month/date/year)

5. **<u>Subscriptions from Accredited Investors</u>**

Subscriptions shall be accepted from those Investors who qualify as an Accredited Investor (as defined below). Please check the box below that applies which shows your qualification as an Accredited Investor.

(a) If a natural person or a trust whose beneficiaries are individuals, please complete this Item 5(a). If not, please skip to Item 5(b).

I hereby represent and warrant (check as appropriate):

(i) ______I have an individual net worth, or joint net worth with my spouse, **excluding the value of my primary residence**, of more than $1,000,000; or

(ii) ______I that I have individual income in excess of $200,000, or joint income with my spouse in excess of $300,000, in each of the two most recent years and I have a reasonable expectation of reaching the same income level in the current year.

As to the above requirements under 5(a)(i) or (ii) for a natural person, Spousal Equivalent (as defined below) may pool their finances for purposes of qualifying as an accredited investor. "**Spousal Equivalent**" means co-habitants maintaining a relationship equivalent to that of a spouse.

(iii) ______I have not borrowed against my primary residence within the 60 days prior to the execution of this Subscription Agreement. [ACCREDITED INVESTORS MUST CHECK THIS BOX];

(iv) ______A person who has obtained professional certifications, designations or credentials, including Series 7, Series 65 and Series 82 licenses, and such licenses are active and in good standing;

(v) ______Directors, executive officers, general partners and general managers of the issuer of the securities being offered or sold or any director, executive office, general partner or general manager of a general manager of that issuer;

(vi) ______ "**Knowledgeable**" employees of a private fund, as defined under Rule 3c-5(a)(4) of the Investment Company Act of 1940, with total assets in excess of $5,000,000, not formed for the specific purpose of acquiring the securities offered, whose purchase is directed by a sophisticated person as described in §230.506(b)(2)(ii); and

(vii) ______Others as contained in Rule 501(a)(9)

(b) If other than a natural person, please complete this Item 5(b).
Such an entity represents and warrants that it is an "**accredited investor**" as defined in Regulation D promulgated under the Securities Act of 1933, as amended (check if appropriate):

(i) ______A corporation, an organization described in Section 501(c)(3) of the Internal Revenue Code, a Massachusetts or similar business trust, not formed for the specific purpose of acquiring Units, with total assets in excess of $5,000,000;

(ii) ____A trust, with total assets in excess of $5,000,000, not formed for the specific purpose of acquiring the Membership Interest, whose purchase is directed by a person, who has such knowledge and experience in financial and business matters that he or she is capable of evaluating the merits and risks of an investment in the Membership Interest;

(iii) ____A limited liability company or partnership with total assets in excess of $5,000,000;

(iv) ____A broker-dealer registered pursuant to section 15 of the Securities Exchange Act of 1934, as amended, or a Registered Investment Advisor registered with the SEC or a State

(v) ____Entities that do not qualify under other sections of Rule 501(a) that own "**investments**" (as defined in Rule 2a51-1(b) under the Investment Company Act) in excess of $5 million, not formed for the specific purpose of acquiring the securities offered;

(vi) ____An employee benefit plan within the meaning of the Employee Retirement Income Security Act of 1974 ("**ERISA**"), if the investment decision is made by a plan fiduciary (as defined in section 3(21) of ERISA), which is either a bank, savings and loan association, insurance company, or registered investment adviser, or if the employee benefit plan has total assets in excess of $5,000,000 or, if a self-directed plan, with investment decisions made solely by persons who are accredited investors;

(vii) ____A private business development company (as defined in section 202(a)(22) of the Investment Advisers Act of 1940, as amended);

(viii) ____A bank as defined in section 3(a)(2) of the Securities Act, or any savings and loan association or other institution as defined in section 3(a)(5)(A) of the Securities Act whether acting in its individual or fiduciary capacity;

(ix) ____An entity in which all of the equity owners are Accredited Investors under any of the subparagraphs in Item 5(a) or (b);

(x) ____A plan established and maintained by a state, its political subdivisions, or any agency or instrumentality of a state or its political subdivisions, for the benefit of its employees, if such plan has total assets of more than $5,000,000;

(xi) ____A "**family office**", as defined in Rule 202(a)(11)(G)-1 of the Investment Advisers Act with (i) assets under management in excess of $5 million, (ii) that is not formed for the specific purpose of acquiring the securities offered and (iii) whose prospective investment is directed by a person who has the knowledge and experience capable of evaluating the merits and risks of the prospective investment; or

(xii) ____ "**Family clients**", as defined in Rule 202(a)(11)(6)-1 of the Investment Advisors Act, of a qualifying family office whose prospective investment is directed by such family office. In addition, the SEC has issued certain no-action letters and interpretations in which it deemed certain trusts to be accredited investors, such as trusts where the trustee is a bank as defined in Section 3(a)(2) of the Securities Act and revocable grantor trusts established by individuals who meet the requirements of clauses (i) or (ii) of paragraph 5(a) above. However, these no-action letters and interpretations are very fact specific and should not be relied upon without close consideration of your unique facts.

In addition, the SEC has issued certain no-action letters and interpretations in which it deemed certain trusts to be accredited investors, such as trusts where the trustee is a bank as defined in Section 3(a)(2) of the Securities Act and revocable grantor trusts established by individuals who meet the requirements of clauses (i) or (ii) of paragraph 5(a) above. However, these no-action letters and interpretations are very fact specific and should not be relied upon without close consideration of your unique facts.

6. **Ownership of Units**

I (we) wish to own my (our) Membership Interest(s) as follows (check one):

(a) ____Separate or individual property

(b) ____Husband and wife as community property. (**Community property states only. Husband and wife should sign all required documents.**)

(c) ____Joint Tenants with right of survivorship. (**Both parties must sign all required documents.**)

(d) ____Tenants in common. (**Both parties must sign all required documents.**)

(e) ____Trust. (**Attach evidence of authority for person who executes required documents**.)

____

(Name of trust, trustee and date trust was formed)

(f) ____Partnership (**Include evidence of authority for person who executes required documents.**)

(g) ____LLC (**Include evidence of authority for person who executes required documents.**)

(h) ____Corporation (**Include evidence of authority for person who executes required documents.**)

(i) ____Other, including IRA, 401(k), profit sharing plan, etc.:

____

(Name of Partnership, LLC, Corporation or Other)

7. **I represent and warrant, in addition to the other representations and warranties contained herein, that I qualify under the following categories** (check all applicable categories):

(a) ____I have the capacity to protect my interests in connection with the purchase of the Membership Unit(s) and such an investment is not disproportionate to my income or available liquid funds.

(b) ____I have a preexisting personal or business relationship with the Company, the Manager, or any of their officers or directors, of a nature and duration as would allow me to be aware of the character, business acumen, general business and financial circumstances of the Manager or of the person with whom such relationship exists.

(c) ____I certify that I have such knowledge and experience in financial and business matters that I am capable of evaluating the merits and risks of an investment in the Membership Unit(s).

(d) ____I am an Affiliate of the Manager.

8. **I certify that I have such knowledge and experience in financial and business matters that I am capable of evaluating the merits and risks of an investment in the Unit(s).**

9. **I hereby further make in favor of the Company the additional representations, warranties and covenants contained in the "Representations, Warranties and Covenants of an Investor" summarized below.**

REPRESENTATIONS, WARRANTIES AND COVENANTS OF AN INVESTOR

1. I acknowledge that I have received, read and fully understand the Memorandum and all Exhibits, supplements and attachments thereto. I acknowledge that I am basing my decision to invest in the Membership Interest on the Memorandum and all Exhibits and attachments thereto and I have relied only on the information contained in said materials and have not relied upon any representations made by any other person. I understand that an investment is speculative and involves substantial risks and I am fully cognizant of and understand all of the risk factors relating to a purchase of the Membership Interest, including, but not limited to, those risks set forth under "**Risk Factors**" in the Memorandum.

2. My overall commitment to investments that are not readily marketable is not disproportionate to my individual net worth, and my investment will not cause such overall commitment to become excessive. I have adequate means of providing for my financial requirements, both current and anticipated, and have no need for liquidity in this

investment. I can bear and am willing to accept the economic risk of losing my entire investment in the Membership Interest.

3. I acknowledge that the sale of the Membership Interest to me has not been accompanied by the publication of any advertisement or by any general solicitation.

4. All information that I have provided to the Company herein concerning my suitability to invest in the Membership Interest is complete, accurate and correct as of the date of my signature on the last page of this Subscription Agreement. I hereby agree to notify the Company immediately of any material change in any such information occurring prior to the acceptance of this Subscription Agreement, including any information about changes concerning my net worth and financial position.

5. I have had the opportunity to ask questions of, and receive answers from, the Company and the officers and employees of the Manager concerning the Company, the creation or operation of the Company, or the terms and conditions of the offering of the Membership Interest, and to obtain any additional information deemed necessary. I have been provided with all materials and information requested by either me or others representing me, including any information requested to verify any information furnished to me.

6. I am purchasing the Membership Interest for my own account and for investment purposes only and have no present intention, agreement or arrangement for the distribution, transfer, assignment, resale, or subdivision of the Membership Interest. I understand that, due to the restrictions referred to in Section 8, and the lack of any market existing or to exist for the Membership Interest, my investment in the Company will be highly illiquid and may have to be held indefinitely.

7. I understand that: (i) legends will be placed on any certificates evidencing the Membership Interest with respect to restrictions on distribution, transfer, resale, assignment or subdivision of the Membership Interest imposed by federal and state securities laws, (ii) the Membership Interest has not been registered with the Securities and Exchange Commission and are being offered and sold in reliance on an exemption from registration, which reliance is based in part upon my representations set forth herein, and (iii) the Membership Interest has not been registered under state securities laws and are being offered and sold pursuant to exemptions specified in said laws, and unless registered, the Membership Interest may not be re-offered for sale or resold except in a transaction or as a security exempt under those laws.

8. I hereby adopt the operating agreement for the Company, as its sole member.

9. This Subscription Agreement shall be construed in accordance with and governed by the laws of the State of New York, except as to the type of registration of ownership of the Membership Interest, which shall be construed in accordance with the state of principal residence of the subscribing investor.

10. **<u>Notice to Residents of All States</u>**: The Membership Interest offered hereby have not been registered under the Securities Act of 1933, as amended, or the securities laws of any state and are being offered and sold in reliance on exemptions from the registration requirements of said act and such laws. The Membership Interest is subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under said act and such laws pursuant to registration or exemption therefrom. Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved the Membership Interest or passed upon the accuracy or adequacy of the Memorandum. Any representation to the contrary is a criminal offense.

11. I hereby covenant and agree that any dispute, controversy or other claim arising under, out of or relating to this Subscription Agreement or any of the transactions contemplated hereby, or any amendment thereof, or the breach or interpretation hereof or thereof, shall be determined and settled in binding arbitration in the City of New York, State of New York, in accordance with the rules and procedures of the American Arbitration Association. The prevailing party shall be entitled to an award of its reasonable costs and expenses including, but not limited to,

attorneys' fees, in addition to any other available remedies. Any award rendered therein shall be final and binding on each and all of the parties thereto and their personal representatives, and judgment may be entered thereon in any court of competent jurisdiction.

12. I hereby agree to indemnify, defend and hold harmless the Company, the Manager, and all of its shareholders, officers, directors, affiliates and advisors from any and all damages, losses, liabilities, costs and expenses (including reasonable attorneys' fees) that they may incur by reason of my failure to fulfill all of the terms and conditions of this Subscription Agreement or by reason of the untruth or inaccuracy of any of the representations, warranties or agreements contained herein or in any other documents I have furnished to any of the foregoing in connection with this transaction. This indemnification includes, but is not limited to, any damages, losses, liabilities, costs and expenses (including reasonable attorneys' fees) incurred by the Company, the Manager, or any of its shareholders, members, partners, managers, officers, directors, affiliates or advisors defending against any alleged violation of federal or state securities laws that is based upon or related to any untruth or inaccuracy of any of the representations, warranties or agreements contained herein or in any other documents I have furnished to any of the foregoing in connection with this transaction.

13. **<u>Verification of Financial Status as an Accredited Investor</u>: The undersigned acknowledges that this offering of membership interests in the Company is being made pursuant to 506(c) of Reg D under the Securities Act of 1933, as amended and as a result my subscription may only be accepted by the Company, if the undersigned can verify to the Company that the undersigned is an accredited investor. The definition for which constitutes an accredited investor is set forth in the attached qualification statement. In order to provide such verification to the Company, the undersigned hereby acknowledges and agrees, that before my subscription can be accepted by the General Manager of the Company, the undersigned hereby agrees to provide such verification of my financial status as an accredited investor by one of the following means:**
    - **(i) a letter from the undersigned's accountant, lawyer and/or broker (whose firm is either a registered broker dealer and/or investment advisor), which confirms to the Company that the undersigned is an accredited investor; or**
    - **(ii) a current net worth statement, balance sheet and/or tax return which confirms that the undersigned qualifies as an accredited investor.**

14. **<u>PDF Copy of Subscription Agreement and Signature Page for the Operating Agreement</u>**.
The Investor may send back a completed Subscription Agreement and the signed copy of the signature page for the Operating Agreement for the Company in PDF format, which PDF format shall be the same as if the original copy of both were submitted and shall be binding upon the Investor upon acceptance of such subscription agreement by the Manager.

15. **<u>Miscellaneous</u>**: (a) I may not transfer or assign this Subscription Agreement, or any interest herein except in conformance with the provisions of the Operating Agreement of the Company, and any purported transfer shall be void; (b) I hereby acknowledge and agree that I am not entitled to cancel, terminate or revoke this Subscription Agreement and that this Subscription Agreement will be binding on my heirs, successors and personal representatives; provided, however, that if the Company rejects this Subscription Agreement, this Subscription Agreement shall be automatically canceled, terminated and revoked; (c) This Subscription Agreement and the Operating Agreement, together with all attachments and exhibits thereto, constitute the entire agreement among the parties hereto with respect to the sale of the Membership Interest and may be amended, modified or terminated only by a writing executed by all parties (except as provided herein with respect to rejection of this Subscription Agreement by the Company); (d) Within five days after receipt of a written request from the Company, the undersigned agrees to provide such information and to execute and deliver such documents as may be reasonably necessary to comply with any and all laws and regulations to which the Company is subject; and (e) The representations and warranties of the undersigned set forth herein shall survive the sale of the Membership Interest pursuant to this Subscription Agreement.

INVESTOR REGISTRATION INFORMATION

Please print the EXACT NAME (the “**Registration Name**”) you desire on the account:

Registration Name: ____

Legal Address: ____

ADDITIONAL CONTACT INOFRMATION

Please fill in an additional contact information below if different from the Registration information address above.

Name (if different from above): ____

Mailing Address (if different from above): ____

Citizen of: ☐ United States Other Country: ____

Principal Country of Residence: ☐ United States Other Country: ________________________________

Birthdate: ____
(month/date/year)

Phone: Business: _________________________ Phone: Mobile: _________________________

Home: ________________________________ Fax: ________________________________

Email: ____

Social Security or Federal Tax ID Number: ____

DISTRIBUTIONS

You have the option to receive distributions in the form of a direct deposit **(Option 1)** into an account designated by you; or to have your distributions sent to a custodial account **(Option 2)**. A voided check is required for direct deposit. Any subscription submitted without a voided check will not be accepted. (please check one)

☐ **OPTION 1 (DIRECT DEPOSIT) – PLEASE ATTACH A COPY OF A VOIDED CHECK.**

Banking Institution: ____

Type of Account (Check One): ☐ Checking ☐ Savings ☐ Brokerage ☐ Money Market

Exact Name on Bank Account: ____

Account Number: ____

Routing Number: ____

☐ **OPTION 2 (CUSTODIAL ACCOUNT)** ☐ Qualified account ☐ Non-qualified account

Custodian Name: ____

Custodial Account Number: ____

Checks Payable to: ____

Mailing Address: ____

TRUSTED CONTACT PERSON INFORMATION (optional)

Your Trusted Contact Person is an individual you designate to act as your emergency contact should you become unable to manage your account, or if we are unable to reach you directly. Collecting this information is purely precautionary. By choosing to provide trusted contact information, it allows us to disclose limited account information to address possible financial exploitation; an/or to confirm our contact information; health status; or the identity of any legal guardian, executor, trustee, or attorney-in-fact. Contact may also be initiated as otherwise permitted by law.

Name of Trusted Contact: ____

Mailing Address: ____

Phone Number:______________________Email Address:______________________

Relationship to Investor:____

INVESTOR SIGNATURES

THE UNDERSIGNED HAS THE AUTHORITY TO ENTER INTO THIS SUBSCRIPTION AGREEMENT ON BEHALF OF THE PERSON(S) OR ENTITY REGISTERED IN ITEM A ABOVE.

Executed this day________________________________.

X____
Signature (Investor, or authorized signatory)

X____
Signature (Investor, or authorized signatory)

COMPANY ACCEPTANCE

The Company hereby accepts this Subscription Agreement.

Executed this day________________________________.

TEI Quarterly Debt Fund LLC,
a Delaware limited liability company
By: TEI Quarterly Debt Fund Manager LLC, a Delaware limited liability company, as its Manager

By: ____
Robert Kantor, Co-Manager or Authorized Signatory

BROKER DEALER / REGISTERED INVESTMENT ADVISOR ("RIA") AFFIRMATION

(To be completed by third party soliciting Broker Dealer or RIA Only)

The Investor listed below is an "accredited investor" as that term is defined in Rule 501(a) of Regulation D of the Securities Act of 1933, as amended (an "Accredited Investor") and permitted to participate in the private placement offering of Units (the "Offering") by TEI Quarterly Debt Fund LLC (the "Company"). The undersigned authorized representative of the Investor (the "Representative") named below hereby certifies to the Fund as follow:

1. I am qualified to provide this representation as (check all that apply):

   ____ a registered broker dealer;

   ____ an SEC registered investment advisor;

2. ____ I have taken reasonable steps to verify that the Investor (whether individual or together with a spouse) is an "accredited investor" based on the income and/or net worth (calculated pursuant to Rule 501(a) of Regulation D) of the Investor. I have determined that the Investor is an Accredited Investor.

3. ____ I have made such determination within the past three (3) months of the date of this affirmation and the date of the Investor's subscription for Company units. To my knowledge after reasonable investigation, no facts, circumstances or events have arisen after that date that led me to believe that the Investor has ceased to be an Accredited Investor. I acknowledge that the Company will rely on this letter in determining the Investor's eligibility to participate in the Offering and I consent to such reliance.

Name of Investor: ____

Name of Investor Representative: ____

Name of Investor Representative's Firm: ____

Investor Representative's Address: ____

City: ______________________ State: ______________________ Zip Code: ____________

Investor Representative's E-mail address: ____

Investor Representative's Phone Number: ____

By signing this Verification Letter, I certify that the statements above are true, correct and complete as of the date set forth below.

X______________________________ X______________________________
Signature of Investor Representative Signature of Principal Approval (if applicable)

Dated:__________________________ Dated: __________________________

CUSTODIAL FUNDS AUTHORIZATION (if applicable)

Trust, IRA, qualified plan, corporation, partnership or other entity investors: please provide information regarding the entity and the individual(s) responsible for the entities investment decision. Custodial information should be presented here for IRA and qualified plan investors. **Note: For Custodial accounts (IRA, etc.) distributions must be sent to the custodian unless the custodian provides written instructions to send distributions elsewhere.**

Name of Entity

Tax ID Number of Entity

Address of Entity

Telephone Number

Account Number (custodial accounts)

Type of Entity (Trust, IRA, 401(k), Corp, etc.)

Date of Formation

Custodial Entity Authorized Person

Title of Authorized Person

Afix Medallion Signature Stamp Here

CONSENT OF SPOUSE (if applicable)

For purchasers in community property states, which are currently
Alaska, Arizona, California, Idaho, Louisiana, Nevada, New Mexico, Texas, Washington and Wisconsin

I,____, spouse of ____
Print name of Spouse   Print Name of Investor

have read and hereby approve of the Instructions to Investors and Subscription Agreement of TEI Quarterly Debt Fund LLC for the Membership Interest in the Company (the "Subscription Agreement"), which my spouse has signed. I hereby appoint my spouse as my attorney-in-fact with respect to the exercise of any rights related to a purchase of any such Membership Interest and agree to be bound by the provisions of the Subscription Agreement, the Confidential Private Placement Memorandum dated May 29, 2024, and all Exhibits thereto ("Memorandum"), and any other documents related to the purchase of such Membership Interest (collectively, the "Purchase Documents") insofar as I may have any rights in said Purchase Documents or any property or interest subject thereto under the community property laws of the State of ____or similar laws relating to marital property in effect in the state of our
Enter State Listed Above
residence as of the date of signing of the Subscription Agreement and/or the Purchase Documents.

X____
Signature (Spouse, or authorized signatory)

Dated:____

IF YOU LIVE IN A COMMUNITY PROPERTY STATE AND ARE NOT MARRIED, INITIAL HERE:_________

OPERATING AGREEMENT SIGNATURE PAGE

EXHIBIT A

Operating Agreement Signature Page

This is the signature page for the Operating Agreement for TEI Quarterly Debt Fund LLC, a complete copy of which is included in the documents sent to you as part of your subscription package.

Executed this day________________________________.

MEMBER(s):

X____________________________________	X____________________________________
Print Name (Investor or authorized signatory)	Signature (Investor or authorized signatory)
X____________________________________	X____________________________________
Print Name (Investor or authorized signatory)	Signature (Investor or authorized signatory)

INDEPENDENT THIRD-PARTY VERIFICATION LETTER (TEMPLATE)

EXIBHIT B

Independent Third-Party Verification Letter

Date of Completion:

Legal Name of Third Party:

Firm name:

Street Address:

City, State, Zip-code:

Email:

My client, _______________________, (the "Prospective Investor"), has requested that I verify the Prospective Investor's status an "accredited investor" as that term is defined in Rule 501(a) of Regulation D of the Securities Act of 1933, as amended (an "Accredited Investor"). This verification is requested to ensure that the Prospective Investor is eligible to participate in a placement of securities (the "Offering") by **TEI Quarterly Debt Fund LLC** (the "Company") that is only open to Accredited Investors.

The Prospective Investor qualifies as an Accredited Investor based on their net worth or income as defined below (calculated pursuant to Rule 501(a) of Regulation D), and that I have undertaken an independent analysis of the Prospective Investor's status as an Accredited Investor at least once during the three-month period preceding the date of this letter.

SELECT ONLY ONE OF THE FOLLOWING OPTIONS BELOW:

___I am a certified public accountant duly registered and in good standing under the laws of the jurisdiction of my residence or principal office.

___I am an attorney duly registered and in good standing under the laws of the jurisdiction of my residence or principal office.

___I am a Registered Representative at an SEC-registered investment advisor OR FINRA Member Broker-Dealer, in good standing under the laws of the jurisdiction of my residence or principal office.

CHECK BOX (A) OR (B) OR (C) BELOW AND FILL IN THE SECTION, AS APPLICABLE:

A. ____I have taken reasonable steps to verify that the **Prospective Investor is an Accredited Investor based on their net worth** (whether individually or together with their spouse) and, based on those steps, I have determined that the Prospective Investor is an Accredited Investor. The most recent date as of which I have made such determination is______. To my knowledge after reasonable investigation, no facts, circumstances, or events have arisen after that date that lead me to believe that the Prospective Investor has ceased to be an Accredited Investor. I acknowledge that the Company will rely on this letter in determining the Prospective Investor's eligibility to participate in the Offering and I consent to such reliance.

B. ____I have taken reasonable steps to verify that the **Prospective Investor is an Accredited Investor based on their income** (whether individually or together with their spouse) and, based on those steps, I have determined that the Prospective Investor is an Accredited Investor. The most recent date as of which I have made such determination is ______________________.
(insert date)

C. To my knowledge after reasonable investigation, no facts, circumstances, or events have arisen after that date that led me to believe that the Prospective Investor has ceased to be an Accredited Investor. I acknowledge that the Company will rely on this letter in determining the Prospective Investor's eligibility to participate in the Offering and I consent to such reliance.

D. ____I cannot confirm the Prospective Investor's status as an Accredited Investor.

Signed:

Legal Name of Third Party:

Signature:

Dated:

NOTE: *If you prefer to use a different form of documentation to confirm the Prospective Investor's status as an Accredited Investor, please submit your alternative form of verification to the Company using one of the methods listed in the last full paragraph above. Note that if you use a different form of verification, it must be signed and dated, and include, at a minimum: (a) confirmation of your status as [a registered broker-dealer/an SEC-registered investment adviser/a licensed attorney in good standing under the laws of the jurisdictions in which you are admitted to practice/a certified public accountant duly registered and in good standing under the laws of the jurisdiction of your residence or principal office]; (b) a statement that you have taken reasonable steps to verify that the Prospective Investor qualifies as an Accredited Investor based on [his/her] [income/net worth]; (c) a statement that, based on those steps, you have determined that the Prospective Investor is an Accredited Investor; (d) the date as of which you most recently made that determination; (e) a statement that, to your knowledge after reasonable investigation, no facts, circumstances or events have arisen after that date that lead you to believe that the Prospective Investor has ceased to be an Accredited Investor; and (f) an acknowledgement that the Company will rely on your letter in determining the Prospective Investor's eligibility to participate in the Offering and your consent to such reliance.*)

DEFINITION OF AN ACCREDITED INVESTOR

SCHEDULE A

Definition of an Accredited Investor

The term "Accredited Investor" is defined as any of the following:

(i) Has an individual net worth, or joint net worth with my spouse, excluding the value of their primary residence, of more than $1,000,000. Has not borrowed against their primary residence within the 60 days prior to the execution of this Subscription Agreement;

(ii) Has individual income in excess of $200,000, or joint income with my spouse in excess of $300,000, in each of the two most recent years and I have a reasonable expectation of reaching the same income level in the current year;

(iii) A person who has obtained professional certifications, designations or credentials, including Series 7, Series 65 and Series 82 licenses, and such licenses are active and in good standing;

(iv) Directors, executive officers, general partners and general managers of the issuer of the securities being offered or sold or any director, executive office, general partner or general manager of a general manager of that issuer;

(iv) "Knowledgeable" employees of a private fund, as defined under Rule 3c-5(a)(4) of the Investment Company Act of 1940, with total assets in excess of $5,000,000, not formed for the specific purpose of acquiring the securities offered, whose purchase is directed by a sophisticated person as described in §230.506(b)(2)(ii);

(v) Others as contained in Rule 501(a)(9);

(vi) A corporation, an organization described in Section 501(c)(3) of the Internal Revenue Code, a Massachusetts or similar business trust, not formed for the specific purpose of acquiring the Membership Interest, with total assets in excess of $5,000,000;

(vii) A trust, with total assets in excess of $5,000,000, not formed for the specific purpose of acquiring the Membership Interest, whose purchase is directed by a person, who has such knowledge and experience in financial and business matters that he or she is capable of evaluating the merits and risks of an investment in the Membership Interest;

(viii) A limited liability company or partnership with total assets in excess of $5,000,000;

(ix) A broker-dealer registered pursuant to section 15 of the Securities Exchange Act of 1934, as amended, or a Registered Investment Advisor registered with the SEC or a State;

(x) Entities that do not qualify under other sections of Rule 501(a) that own "investments" (as defined in Rule 2a51-1(b) under the Investment Company Act) in excess of $5 million, not formed for the specific purpose of acquiring the securities offered;

(xi) An employee benefit plan within the meaning of the Employee Retirement Income Security Act of 1974 ("ERISA"), if the investment decision is made by a plan fiduciary (as defined in section 3(21) of ERISA), which is either a bank, savings and loan association, insurance company, or registered investment adviser, or if the employee benefit plan has total assets in excess of $5,000,000 or, if a self-directed plan, with investment decisions made solely by persons who are accredited investors;

(xii) A private business development company (as defined in section 202(a)(22) of the Investment Advisers Act of 1940, as amended);

(xiii) A bank as defined in section 3(a)(2) of the Securities Act, or any savings and loan association or other institution as defined in section 3(a)(5)(A) of the Securities Act whether acting in its individual or fiduciary capacity;

(xiv) An entity in which all of the equity owners are Accredited Investors under any of the subparagraphs in Item 5(a) or (b);

(xv) A plan established and maintained by a state, its political subdivisions, or any agency or instrumentality of a state or its political subdivisions, for the benefit of its employees, if such plan has total assets of more than $5,000,000;

(xvi) A "family office", as defined in Rule 202(a)(11)(G)-1 of the Investment Advisers Act with (i) assets under management in excess of $5 million, (ii) that is not formed for the specific purpose of acquiring the securities offered and (iii) whose prospective investment is directed by a person who has the knowledge and experience capable of evaluating the merits and risks of the prospective investment; or

(xvii) "Family clients", as defined in Rule 202(a)(11)(6)-1 of the Investment Advisors Act, of a qualifying family office whose prospective investment is directed by such family office. In addition, the SEC has issued certain no-action letters and interpretations in which it deemed certain trusts to be accredited investors, such as trusts where the trustee is a bank as defined in Section 3(a)(2) of the Securities Act and revocable grantor trusts established by individuals who meet the requirements of clauses (i) or (ii) of paragraph 5(a) above. However, these no-action letters and interpretations are very fact specific and should not be relied upon without close consideration of your unique facts.

EXHIBIT C

ORGANIZATIONAL CHART FOR THE FUND AND THE PRIMARY BORROWER AND LOAN STRUCTURE