

**PROJECT SUPPLEMENT NO. 5
(DATED APRIL 12, 2023)
TO THE SUPPLEMENT OF TEI DIVERSIFIED INCOME AND OPPORTUNITY FUND
VI LLC DATED MARCH 1, 2022
FOR INVESTMENT OPPORTUNITY FOR
LOAN PARTICIPATION AS A B PIECE LENDER
IN A FIRST MORTGAGE LOAN SECURED BY**

**THE RIDGE AT WVU
350 WEDGEWOOD DRIVE, MORGANTOWN, WEST VIRGINIA 26505**



**OFFERING OF
MEMBERSHIP INTERESTS IN
TEI A10 WVU LLC
INVESTED CAPITAL OF \$2,050,000**



TIME EQUITIES SECURITIES LLC

Project Supplement No. 5
(Dated April 12, 2023)
To the Supplement of TEI Diversified Income & Opportunity
Fund VI LLC Dated March 1, 2022
Loan Participation as a Secured B Piece Lender Interest in
the \$11,660,000 First Mortgage Secured by the Property Located at
350 Wedgewood Dr,
Morgantown, WV 26505

This Project Supplement No. 5 modifies and supplements the Supplement of TEI Diversified Income & Opportunity Fund VI, LLC (the “Fund”), dated March 1, 2022 (the “Memorandum”), as previously amended by Supplements No. 1 through No. 4 which should be read in conjunction with the Memorandum (including but not limited to the Special Risk Section in the Memorandum). Terms with initial capitals, not otherwise defined in Project Supplement No 5, have the meanings set forth in the Memorandum.

The following summarizes the Fund’s purchase of membership interests of TEI A10 WVU LLC (the “**Company**” or “**TEI WVU**”). The Company will be funding a subordinate B-Note position and receiving a corresponding B-Piece lender interest in a first mortgage loan (the “**Loan**”) in the amount of \$11,660,000 secured by the property located at 350 Wedgewood Drive, Morgantown, West Virginia (the “**Property**”).

The total Invested Capital in the Company is **\$2,050,000** and the Fund is made an investment of **\$1,025,000**.

**THIS PROJECT SUPPLEMENET PERTAINS TO THE LOAN PARTICPATION AS A B
PIECE LENDER IN THE FIRST MORTGAGE LOAN SECURED BY THE PROPERTY.**

Investment Summary First Mortgage Loan for the Refinance of the Property and B Piece Lender Participation Interest

The Ridge, LLC, The Ridge TIC 2, LLC, The Ridge TIC 3, LLC, The Ridge TIC 4, LLC, The Ridge TIC 5, LLC, The Ridge TIC 6, LLC, The Ridge TIC 7, LLC, The Ridge TIC 8, LLC, The Ridge TIC 9, LLC, The Ridge TIC 10, LLC, all Delaware limited liability companies, (“**Borrower**”), purchased a student housing community complex on July 1st 2018, located in Morgantown, WV. The purchase price for the Property was \$15,000,000. On July 1st, 2018, the Borrower obtained an acquisition loan from Orix RE Holdings, LLC (the “**Prior Mortgage**”) to buy the Property in the amount of \$12,000,000. As of March 13th, 2023, the Prior Mortgage had a balance of approximately \$10,114,841, which included accrued interest, default interest and additional fees.

On March 24, 2023, A10 Capital, LLC a full-service direct real estate lender (“**A-10**” or the “**A Piece Lender**”), and the Company (a/k/a “**B Piece Lender**”) made the Loan to the Borrower in the initial amount of \$10,560,000, with the proceeds being used to pay off the Prior Mortgage and to fund closing costs. A-10 and the Company are collectively hereafter referred to as the “**Lender**”. Beyond the initial amount of the Loan disbursed at closing, an additional \$1,100,000 is available for the Borrower to draw on to fund certain Lender approved repairs and capital improvements. Such additional \$1,100,000 is included in the total Loan amount but will remain undisbursed, pending completion of agreed upon repairs and capital expenditures. Additionally at the closing of the Loan, the Borrower funded into a Lender controlled account, an additional \$500,000 to be spent on Lender directed repairs and capital improvements.

The source of the \$10,560,000 of Loan proceeds disbursed at the Loan closing was \$8,560,000 from A-10 and \$2,000,000 from the Company. A-10 is solely responsible for funding the additional \$1,100,000 discussed above. Once the Loan is fully funded in the amount of \$11,660,000, the respective interests in the Loan shall be as follows:

Lender	Portion of the Loan	Amount	% of the Outstanding Balance
A10 Capital (“ A Piece Lender ”)	A Piece	\$9,660,000	82.85%
TEI A10 WVU LLC (“ B Piece Lender ”)	B Piece	\$2,000,000	17.15%
Total		\$11,660,000	100%

The interest rate on the B Piece portion of the Loan is 16.25% per annum. The Company’s portion of monthly mortgage payments, based on the above interest rate, is \$27,083.35 per month and \$325,000 per annum.

Description of the Company

The Company is a newly created Delaware limited liability company, whose general managers are Francis Greenburger and Robert Kantor (the “**General Managers**”). The total invested capital raised by the Company is \$2,050,000.00. Such amount includes \$2,000,000 for the funding of the B Piece and the remainder to cover closing costs, legal fees and working capital.

A-10 is a commercial mortgage lender with a focus on middle-market lending within non major markets. According to A10, they have originated over \$5 billion worth of loans since its founding in 2007.

Description of the Borrower

The Borrower, (as hereafter defined) is an affiliate of Versity Investments, LLC (“**Versity**”), Versity Investments, LLC is a real estate company founded in 2018, in Orange County, California. Versity specializes in student housing and multi-family properties in the USA. According to Versity, currently their portfolio has a value of nearly \$1.5 billion across 22 states and together with their affiliates manage 36 projects.

Description of the Property

The Ridge at WVU is a 640-bed student housing property at West Virginia University (“WVU”). The Property was built in 2002, the property sits on 34.5 Acres and totals approximately 200,000 square feet. The property is located less than one (1) mile from the WVU main campus with two (2) private shuttles that regularly transport students to and from the property and the university. The Property offers a variety of unit types, including 3-bedroom with 3-bathrooms, 4-bedrooms with 2-bathrooms, units which can be leased furnished or unfurnished. All units are equipped with full-size washing machine, dryers and have private balconies. The amenities at the Property consist of a swimming pool, hot tub, volleyball and basketball courts, a club house, gaming area, and a fitness center.

Terms of the \$11,660,000 First Mortgage Loan to the Borrower

The following is a summary of the primary terms of the Loan to the Borrower:

Amount:	\$11,660,000.00 (\$10,560,000 funded at Loan closing)
Loan Term:	36 months, initial maturity date of April 1, 2026.
Interest Rate:	A-Note Interest Rate: One-month term of SOFR + 670 BPS B-Note Interest Rate: 16.25% - Fixed rate
Origination Fee paid at Closing:	\$116,000.00 split pro rata between TEI and A10.

Monthly Payment:	Monthly payments consist of interest only.
Prepayment:	Borrowers shall have the right to make, and Lender shall accept, prepayment of the Loan, whether in whole or in part at any time prior to the maturity date. However, in the event all or any portion of the Loan is prepaid on or before October 1, 2024, the Borrower shall pay to the A Piece Lender and B Piece Lender the prepaid principal balance multiplied by the Loan interest rate divided by 360 days multiplied by the number of remaining days remaining through October 1, 2024
Exit Fee:	Upon the payoff of the Loan, the Borrower must pay an Exit Fee equal to 1% of the Loan Amount, split pro rata between the Company and A10.
Extension Options:	Borrowers has the right to request that the Term of the Loan be extended for 2 periods of 12-months each.
Collateral for the Loan:	First mortgage encumbering the Property.
Late Charges:	There is a 5% late charge as to any unpaid interest payments.
Payment of Servicer Fees:	The Company is responsible to pay a 0.25% servicing fee of the B-Piece portion of the Loan value per year to an affiliate of A10. The annual service fee will be approximately \$5,000 per year +/-.
Cash Management:	Tenants of the Property pay rent to a lock box controlled by A10. Funds in the lock box will be disbursed to the Borrower unless and until an Event of Default. Loan Payments, insurance expense and real estate taxes shall be reduced from any available disbursements.
Limited Guaranty:	Blake Wettengel, the CEO of Versity Investments, LLC (the “ Guarantor ”) executed a limited guaranty (the “ Guaranty ”) whereby the Guarantor guaranteed \$5,000,000 of the principal balance of the Loan. Proceeds collected from the Guaranty are to be paid; (i) first to the A Piece Lender in an amount equal to the lesser of \$3,000,000 or the outstanding principal balance on the A-Note; and (ii) second the Company in an amount equal to the lesser of \$2,000,000 or the outstanding principal balance on the B-Note.

Estimated Sources & Uses for the Invested Capital

The following is the projected sources uses for the capitalization of the funding of the lender's B-Note portion of the Loan from Invested Capital.

Uses of Invested Capital and Origination Fee

Sources

Invested Capital	\$2,050,000
TOTAL	\$2,050,000

Uses

• Funding of B-Note Portion of the Loan.	\$2,000,000
• Origination Fee to TEI	\$ 20,000
• Working Capital, legal fees and miscellaneous costs	<u>\$ 30,000</u>
TOTAL	\$2,050,000

Occupancy and Net Operating Income for the Property

The Borrower projects that the estimated annualized net operating income for the Property in 2024 to be \$1,115,000. At Closing, the Property is projected to be 82.5% leased. The operating expenses are projected to be \$1,780,000. According to the Borrower, as of March 17th, 2023, there are 69 new leases and 135 renewals for the spring 2023 semester and Borrower expects, but it is not guaranteed, that the occupancy of the Property for the 2023 spring semester will be above 85%, which would equate and maintain a stabilized net operating income above \$1,000,000 for 2023.

Terms of the Co-Lender Agreement between the A Piece Lender and B Piece Lender

The following is a summary of the primary terms of the Co-Lender Agreement (the “**Co-Lender Agreement**”) entered into at the Loan closing between A-10 as the Initial Senior Noteholder, and as assigned to, the Company as the Junior Note Holder.

Copies of the Co-Lender Agreement and all loan documents and other agreements entered into in connection with the Loan are available upon request. Capitalized terms utilized in this section and not otherwise defined in this Supplement shall have the meaning set forth in the Co-Lender Agreement.

Lenders and Loan

Participants:

A10 is the holder of the A Piece portion of the Loan. A10 funded \$8,560,000 of the Loan proceeds at closing and will fund an additional \$1,100,000 for an 82.85% undivided senior participation interest in the Loan. The Company is the holder of the B-Piece portion of the Loan. The Company funded \$2,000,000 of Loan proceeds for a 17.15% subordinate B-piece interest in the Loan.

Interest Rate for B Piece:

The interest rate for the B Piece portion of the Loan is **16.25%** per annum. The monthly payment, based on this rate, would be \$27,083.34. Such monthly rate is calculated based on the \$2,000,000 B-Piece.

Distributions:

Provided there is no event of default, the A Piece Lender is paid first their accrued interest on the principal balance of the Loan before any payments of interest are paid to the B-Piece Lender. Similarly, principal payments are paid first to the A-Piece Lender before any principal payments to the B-Piece Lender.

The Guarantor executed a limited guaranty whereby the Guarantor guaranteed \$5,000,000 of the principal balance of the Loan. In the event of a Borrower default, proceeds from the Guaranty are to be paid; (i) first to the A Piece Lender in an amount equal to the lesser of \$3,000,000 or the outstanding principal balance on the A-Note; and (ii) second the Company in an amount equal to the lesser of \$2,000,000 or the outstanding principal balance on the B-Note.

Payment of Fees to the
A-Piece Lender and
B-Piece Lender:

Origination Fee in the amount of 1% of the Loan Amount totaling \$116,600 paid on the Closing Date, to be paid as follows:

- split \$96,600 to A10 and \$20,000 to TEI.

A10 Capital and The Company shall share a 1% Loan Amount Exit Fee of \$116,600 as follows:

- \$96,600 to A10 Capital and \$20,000 to the Company.

If the Borrower exercises their extension options to extend the term of the Loan for 12 months, the extension fee shall be split on a pro rata basis between A10 and the Company.

Consent Rights:

The B Piece Lender has certain consent rights with respect to Major Decision and with regard to actions following the occurrence and during the continuance of an Event of Default.

B Piece Lender Cure Rights:

The B Piece Lender has the right but not the obligation to cure a non-payment by the Borrower of one or more of the regularly scheduled monthly interest payments, by paying the A Piece Lender its portion of such unpaid amount, at the non-default rate of interest, within ten (10) business days of the B Piece Lender's receipt of a written notice from the Lender or the Servicer.

If the B Piece Lender fails to timely make cure payments it loses its consent rights and option to purchase the A Piece portion of the Loan, as described below.

Option to Purchase the
A Piece Portion of the Loan:

Upon the occurrence of a Monetary Default, the A Piece Lender shall notify the B Piece Lender of such Monetary Default and the B piece Lender shall have the option to purchase the A Piece Loan within 12 months following B piece Lender's receipt of such Purchase Option Notice to purchase, in immediately available funds, the A Piece Loan in whole but not in part at the applicable Defaulted Note Purchase Price, or, in the event title to the Mortgaged Property is transferred to the A Piece Lender prior to the

expiration of the Purchase Option Period, the B Piece Lender shall have 90 days from the date of the Title Acquisition Event to purchase 100% of A Piece Lender's interests in such title holder; provided, however, if the Title Acquisition Event occurs within 3 months of delivery of the Purchase Option Notice as a result of a deed in lieu of foreclosure, the B Piece Lender shall have 6 months from the date of acquisition of title to the Property to exercise its Purchase Option.

The purchase price to be paid for the A Piece shall be the amount equal to the sum of: (a) Par Value of the A Piece Loan, (b) accrued and unpaid non-default interest on the A Piece, (c) the amount of any non-default exit fee allocable to the A Piece and (d) any A Piece minimum interest due at the time of the purchase. In addition to payment of the A Piece Purchase Price, as a condition to B Piece Lender's acquisition of the A Piece, B Piece Lender shall pay to the Servicer all accrued and unpaid servicing fees owing to the Servicer.

The A Piece Lender agrees to fund the Company's purchase of their A Piece lender participation interest by providing a loan to the Company based on the following terms:

- Loan amount: equal to 80% of the "as is" appraised value of the Property at the time of the purchase if the note term is 24 months and shall be 90% of the "as is" appraised value if the note term is 12 months. Interest Rate of 8.60% per annum.
- If any of the proceeds from the \$1,100,000 repair and capital improvement account remains unused, new ownership shall use those funds to complete any remaining work on the property.
- Loan term: 12 months from the defaulted note purchase date if the initial advance of the loan is equal to or less than 90% (and greater than 80%) of the then-current Senior Note principal balance; or 24 months from the defaulted note purchase date if the initial advance of the loan is equal to or less than 80% of the then current Senior Note principal balance.

- Debt service: payments of interest only payable monthly; and
- Yield maintenance fee as to balance of interest to cover 6 months, if the Loan is paid off prior to the first 6 months.

Detailed Default Waterfall:

Excerpts of the waterfall from the Co-Lender Agreement for proceeds collected from the Borrower and Guarantor and other related provisions are set forth on **Exhibit A** attached hereto and made a part hereof. A full copy of the Co-Lender Agreement and all other loan documents and agreements pertaining to the Loan are available upon request.

Fees to be paid to Time Equities, Inc.

At the closing, TEI, an affiliate of the Managers, will be paid a total loan origination fee in the amount of \$40,000. Such origination fee shall be funded \$20,000 from the Borrower and \$20,000 from invested capital in the company. In addition, TEI will be paid the following fees:

- (i) an annual asset management fee of \$5,000, which will be paid from interest payments received by the Company as the B Piece Lender; and
- (ii) \$20,000, as a portion of the Exit Fee to be paid by the Borrower upon the payoff of the Loan.

Placement Agent and Contacts for Further Information

The placement agent for this offering is Time Equities Securities LLC, 55 Fifth Avenue, 15th Floor, New York, NY 10003-4398, Attention: David Becker or Richard Viest. Time Equities Securities LLC is a registered broker dealer and member of the FINRA. It is owned by Time Equities, Inc., an Affiliate of Francis Greenburger. None of the proceeds from this offering shall be used to pay any placement fee to Time Equities Securities LLC.

You are invited to read the information contained in this Private Investment Memorandum and contact either David Becker, Managing Director, Equity Division of Time Equities Securities LLC, at (212) 206-6032 or Richard Viest, Registered Representative at (212) 206-5691 or rviest@timeequities.com at your earliest convenience to discuss your possible interest in this investment or to request further information.

Special Risks of this Offering

This Investment as to the purchase of a subordinate B Piece interest in the Loan involves certain risks and is suitable only for persons of substantial financial means who have no need for liquidity in such investment and who are able to afford the risk of the investment. Capitalized terms utilized in this section and not otherwise defined in this Supplement shall have the meaning set forth in the Co-Lender Agreement.

(1) Risk of Loss of Invested Capital

The subordinated B Piece investment made by the Company in the Loan is a high-risk investment. In the event that the Borrower defaults on the Loan, such default could result in a total loss of the \$2,050,000 of capital invested in the Company, including the Fund's \$1,025,000 investment.

(2) Consent Rights of the B Piece Lender are Limited

The Participation Agreement grants to the B Piece Lender various approval rights, including but not limited to, any modification of the Loan Documents, any release of the Loan Collateral, except as provided in the Loan Agreement, any settlement if any default occurs under the Loan Documents, the acceptance of any prepayment other than in accordance with the Loan Documents and the enforcement of remedies under the Loan Documents. Such approval rights in certain respects are limited in that A10 has complete discretion in many other matters pertaining to the administration of the Loan (for example, the decision as to whether or not to have a capital call for itself and the B Piece Lender to fund any Protective Advances the Lender would make to cure an event of default under the Loan). To the extent a Protective Advance is required to cure an event of default under the Loan, the A Piece Lender has to fund 82.85% of such Protective Advance. Because of this required high funding percentage for the A Piece Lender, the A Piece Lender may not initiate a Protective Advance that the B Piece Lender, because of its low funding percentage (17.15%), would otherwise be inclined to fund.

If the B Piece Lender fails to timely fund the Cure Payments for any non-payment of the monthly interest payments and/or after the maturity date, if the Loan is not paid off on the Maturity Date, as to such continuation of such monthly payments of interest to the A Piece Lender, then the B Piece Lender loses all of its consent rights and its purchase option.

If the Lender, through the exercise of its remedies under the Loan, acquires fee title to the Property, then the A Piece Lender and B Piece Lender would become the members of such limited liability company that would own the Property. The A Piece Lender would be the sole managing member with exclusive authority and control over the management and affairs of such company that would own the Property. If this occurs, then all distribution of net operating income would be funded under the Event of Default Distribution Waterfall, where the A Piece Lender gets paid back their accrued interest, principal amount and fees before any payments are made to the B Piece Lender.

(3) **Risk as to Distributions**

If there are non-payments of monthly interest in excess of one month, a Bankruptcy Event occurs and/or the Loan is accelerated, then distributions to the A and B Piece Lenders would be made based on the Event of Default Distribution Waterfall. In such case, the A Piece Lender would be paid all sums due and owing to the A Piece Lender (including interest, its principal balance and fees) before any further payments are made to the B Piece Lender. After such payoff of the A Piece Lender there may not be sufficient funds left over to pay the B Piece Lender.

(4) **Risk as to Capital Contributions for Protective Advances and the Purchase Option**

The Company has the right to purchase the Loan or the A-Note portion of the Loan if there is an event of default as a result of the non-payment by the Borrower of one or more regularly scheduled monthly interest payments or as a result of the Borrower's failure to pay off the Loan on the maturity date. The Company would have twelve 12 months to close on this purchase option. The purchase price for this purchase option is the A Piece purchase price (as defined in the summary for the Participation Agreement), which would include: a) Par Value of the A Piece loan, (b) accrued and unpaid non-default interest on the A Piece, (c) the amount of any non-default exit fee allocable to the A Piece and (d) Any A Piece minimum Interest due at the time of the. In order to close on such purchase option, the Company would have to obtain a loan for such acquisition and there is no guaranty of the ability of the Company to obtain such a loan. The Company has the option to obtain a loan from A10 to purchase the A-Note portion of the Loan.

The terms of the A10 loan to the Company would be: equal to 80% of the "as is" appraised value of the Property at the time of the purchase if the note term is 24 months and shall be 90% of the "as is" appraised value if the note term is 12 months. Interest rate of 8.60% per annum. In addition to payment of the A Piece Purchase Price, as a condition to B Piece Lender's acquisition of the A Piece, B Piece Lender shall pay to Servicer all accrued and unpaid servicing fees owing to Servicer. The loan term shall either be 12 months from the Defaulted Note Purchase Date if the initial advance of the loan is equal to or less than 90% (and greater than 80%) of the then-current Senior Note principal balance; or 24 months from the Defaulted Note Purchase Date if the initial advance of the loan is equal to or less than 80% of the then current Senior Note principal balance.

Even if the Company obtained such loan or any other loan, it would have to fund the Borrower's equity portion of such A-Note purchase price, which the amount may be substantial. This would also necessitate a capital call amongst of the members of the Company.

(5) **Risk as to the Sale of the Loan or the A Piece Portion of the Loan to a Third Party**

A10 may transfer or pledge the A-Note or portions thereof to any person, from time to time, in its sole discretion provided, that the A Piece Lender shall not Transfer all or any portion of the A-Note to any Borrower related party and any such transfer shall be absolutely null and void and shall vest no rights in the purported transferee. In addition,

A10 may split the A-Note into multiple participations without the consent of the Company. Notwithstanding the foregoing, A10 shall be permitted to Transfer the A-Note to any Borrower related party, if and only if, immediately following such Transfer, the A-Note is retired and cancelled in its entirety, and, as a result, the transferee of the A-Note shall have absolutely no right, title or interest in any portion of the Loan.

There is the unknown factor as to who such third-party purchaser would be to take over the A Piece Lender's interest. A10 is an experienced lender with over 5 billion of originated loans. It is uncertain that any such replacement for the A Piece Lender will be as good as A10 in administering the Loan and undertaking its obligations as the A-Note under the Participation Agreement. Although the Managers are undertaking this joint venture with A10 based on their perceived track record, there is no guaranty as to A10's performance and that there will not be issues that create conflicts of interest between the A Piece Lender and the Company. There is always the potential for conflicts where there are participation interests where one party has a superior position, like the A Piece Lender. The biggest potential for a conflict arises when the event of default trigger occurs resulting in all distributions being made pursuant to the Event of Default Distribution Waterfall, where the A Piece Lender gets paid first all amounts owed to them before any payments are made to the B Piece Lender.

(6) **Risk as to the Term of the Loan and the Loan and the Ability to Refinance the Loan and the Loan by their Maturity Dates**

The Loan has an initial term of Thirty-six (36) months until approximately April 1, 2026. Also, the Loan has two (2) extension options for twelve (12) months each until approximately April 1, 2028.

If the Borrower is unable to extend the term of the Loan, there is no guaranty as to the ability of Borrower to refinance the loan on or before the maturity date.

THE ABOVE POTENTIAL RISKS ARE NOT INTENDED TO BE AN EXHAUSTIVE LIST OF POTENTIAL AREAS OF RISK AND INVESTORS ARE URGED TO CONSIDER SUCH RISKS BEFORE MAKING A DECISION TO INVEST IN THE PROPERTY

EXHIBIT A
EXCERPTS FROM THE CO-LENDER AGREEMENT REGARDING PAYMENTS
FROM BORROWER LENDERS (THE DISTRIBUTION WATERFALLS)

The following are excerpts of key provisions of the Co-Lender Agreement related to or setting forth the waterfall for proceeds collected from the Borrower and Guarantor. A full copy of the Co-Lender Agreement and all other loan documents and agreements pertaining to the Loan are available upon request. Capitalized terms utilized below in this Exhibit A and not otherwise defined in this Supplement shall have the meaning set forth in the Co-Lender Agreement.

Section 2. Servicing.

- (a) The Company (sometimes hereinafter referred to as the “Junior Noteholder”) acknowledges and agrees that the Loan shall be serviced by a Servicer appointed by A-10 (sometimes hereinafter referred to as the “Senior Noteholder”); provided that, after the DB Facility Release Date, the Controlling Noteholder shall have the right to replace the special servicer and appoint a replacement special servicer satisfying the requirements of the Servicing Agreement in lieu thereof, pursuant to the terms of this Agreement. The Servicer (and any sub-servicer) shall be required to service and administer the Loan in accordance with the Servicing Standard, this Agreement and the Servicing Agreement. The Junior Noteholder hereby appoints the Servicer to service and administer the Loan as such Noteholder’s attorney-in-fact to sign any documents reasonably required with respect to the administration and servicing of the Loan on its behalf (subject at all times to the rights of the Junior Noteholder set forth herein).

- (b) On the date hereof, the Senior Noteholder shall cause the Loan to be serviced pursuant to the Initial Servicing Agreement. From time to time, provided the Senior Noteholder obtains the consent of the Junior Noteholder as a Major Decision, the Senior Noteholder may amend the Initial Servicing Agreement or cause the Loan to be serviced pursuant to a different servicing agreement (any such amendment to the Initial Servicing Agreement or different servicing agreement, a “Replacement Servicing Agreement”) in accordance with this Section 2(b). Provided the Replacement Servicing Agreement is substantially in the form of the Servicing Agreement for A10 Bridge Asset Financing 2021-D, LLC, Replacement Servicing Agreement shall not be subject to the Junior Noteholder’s approval and may be amended or otherwise modified to meet standards which may be required in the marketplace or by the Rating Agencies in connection with a securitization; provided, however, that (i) any Replacement Servicing Agreement shall acknowledge that the Junior Noteholder is a third-party beneficiary of such Replacement Servicing Agreement and (ii) in no event may any Replacement Servicing Agreement, without the consent of the Junior Noteholder, (A) diminish or impair any Noteholder’s rights hereunder (other than to a de minimis extent), (B) change the principal or interest allocable to, or the timing (by more than 5 Business Days) or amount of any payments due to, the Junior Noteholder or increase the Junior Noteholder’s obligations (other than to a de minimis extent) or decrease the Junior Noteholder’s rights, remedies or protections hereunder (other than to a de minimis extent) or (C) contain terms inconsistent with the most recently previously effective Servicing Agreement (as such terms relate to the A-Note (also referred to as the “Senior Note”) and

the B-Note (Also referred to as the “Junior Note)) in a manner that has an adverse effect on the Junior Noteholder. Unless the Junior Noteholder has otherwise consented, (i) the Servicing Fee under any Servicing Agreement with respect to the Loan shall accrue at a rate not to exceed an amount equal to 0.25% per annum (the “Servicing Fee Rate”), payable monthly on the principal balance of the Loan, (ii) the special servicing fee (which fee is payable solely during the period that the Loan is a Specially Serviced Loan) payable to the special servicer (or to the Servicer or sub-servicer) under the Servicing Agreement with respect to the Loan shall accrue at a rate not to exceed an amount equal to 0.50% per annum, payable monthly on the principal balance of the Loan, (iii) the Liquidation Fee (or equivalent) under the Servicing Agreement with respect to the Loan shall not exceed 1.0% and (iv) the Workout Fee (or equivalent) under the Servicing Agreement with respect to the Loan shall not exceed 1.0%. For the avoidance of doubt, in no event shall the Junior Noteholder be responsible to pay any fees to the Servicer or shall any fees reduce the amount owed to the Junior Noteholder pursuant to the terms of this Agreement, other than the Servicing Fee Rate, unless (a) purchase of the Senior Note fails to occur within twelve (12) months after receipt of the Purchase Option Notice pursuant to Section 9, or (b) if the Junior Noteholder fails to make the required payments pursuant to Section 8(a) below.

- (c) Notwithstanding the foregoing, the Junior Noteholder acknowledges and agrees that the Servicing Agreement may provide that default interest, late payment charges, assumption fees, loan modification fees, loan service transaction fees, extension fees, demand fees, beneficiary statement charges and similar fees, in each case associated with the Loan, may be payable to the Servicer as additional compensation, other than as set forth in this Agreement to be paid to the Noteholders, or may be used to offset interest on Protective Advances made by the Servicer, the Trustee or any other party; however, so long as a Sequential Pay Event is not in effect, the Junior Noteholder shall not be required to pay any special servicing fees with respect to its cure payments.

Section 3. Subordination of Junior Note; Payments Prior to a Sequential Pay Event. The Junior Note and the right of the Junior Noteholder to receive payments of interest, principal and other amounts with respect to such Junior Note shall at all times be junior, subject and subordinate to the Senior Note and the right of the Senior Noteholder to receive payments of interest, principal and other amounts with respect to the Senior Note as set forth herein. If no Sequential Pay Event, as determined by the applicable Servicer, and the Junior Noteholder has elected to cure an Monetary Event of Default pursuant to Section 8 below, shall have occurred and be continuing, all amounts received with respect to the Loan and the Mortgaged Property, other than (i) all amounts for required reserves or escrows required by the Loan Documents (to the extent, in accordance with the terms of the Loan Documents) to be held as reserves or escrows, (ii) amounts received as reimbursements on account of recoveries in respect of Protective Advances then due and payable or reimbursable to the Servicer or Trustee, (iii) awards or settlements to be applied to the restoration or repair of the Mortgaged Property or released to the Borrower in accordance with the terms of the Loan Documents, (iv) other amounts payable to Servicer or that may be retained by Servicer in accordance with the Servicing Agreement, including, without limitation, any Servicing Fee, Workout Fee or Liquidation Fee, and (v) any and all Limited Guaranty Proceeds (defined below) actually received, shall be applied in accordance with this Agreement

and distributed by the Servicer for payment in the following order of priority without duplication (and payments shall be made at such times as are set forth in the Servicing Agreement):

- (a) first, to the Senior Noteholder in an amount equal to the Net Senior Note Monthly Payment Amount to pay accrued and unpaid interest on the Senior at the Net Senior Note Rate, which shall be reduced by any and all payments made to the Senior Noteholder by the Junior Noteholder if the Junior Noteholder has made any cure payments pursuant to Section 8;
- (b) second, to the Junior Noteholder an amount equal to the Junior Note Interest Payment Amount to pay accrued and unpaid interest on the Junior Note at the Net Junior Note Rate;
- (c) third, to the Senior Noteholder up to the amount of any unreimbursed costs and expenses paid by the Senior Noteholder including any Recovered Costs not previously reimbursed to the Senior Noteholder (or paid or advanced by any Servicer or Trustee on its behalf and not previously paid or reimbursed) with respect to the Loan pursuant to this Agreement or the Servicing Agreement;
- (d) fourth, to the extent the Junior Noteholder has made any payments or advances to cure defaults pursuant to Section 8 relating solely to the failure of the Borrower to make any monthly payments required pursuant to Section 2.3 of the Loan Agreement or to pay the required real estate taxes or insurance premiums due with respect to the Mortgaged Property, to reimburse the Junior Noteholder for all such cure payments
- (e) fifth, to the extent the Junior Noteholder has made any payments or advances to cure defaults pursuant to Section 8 (other than the defaults described in sub-clause (d) above), to reimburse the Junior Noteholder for all such cure payments
- (f) sixth, to the Senior Noteholder an amount equal to the Senior Note Percentage Interest of principal payments received, if any, with respect to the Loan, until the Senior Note Principal Balance has been reduced to zero;
- (g) seventh, to the Junior Noteholder an amount equal to the Junior Note Percentage Interest of principal payments received, if any, with respect to the Loan, until the Junior Note Principal Balance has been reduced to zero;
- (h) eighth, any Stand-By Fee, to the extent paid by the Borrower, shall be paid to the Senior Noteholder;
- (i) ninth, any Exit Fee, to the extent paid by the Borrower, shall be paid to the Senior Noteholder and the Junior Noteholder, first to the Senior Note and then to the Junior Note, pro rata, based on its percentage interest calculated by taking the Maximum Senior Note Principal Balance (as shown on Exhibit A) divided by the Maximum Principal Amount of Loan (as shown on Exhibit A), and then to the Junior Note pro rata, based on its percentage interest calculated by taking the Initial Junior Note Principal Balance (as shown on Exhibit A) divided by the Maximum Principal Amount of Loan (as shown on Exhibit A);

- (j) tenth, any Extension Fee, to the extent paid by the Borrower, shall be paid to the Senior Noteholder and the Junior Noteholder, first to the Senior Note and then to the Junior Note, pro rata, based on their respective Percentage Interests;
- (k) eleventh, any Prepayment Premium, to the extent paid by the Borrower, shall be paid to the Senior Noteholder and the Junior Noteholder, first to the Senior Note and then to the Junior Note, pro rata, based on their respective Percentage Interests;
- (l) twelfth, to the extent Default Interest actually paid by the Borrower is not required to be otherwise applied under the Servicing Agreement (subject to Section 2(c) hereof), any such Default Interest shall be paid to the Junior Noteholder;
- (m) thirteenth, if the proceeds of any foreclosure sale or any liquidation of a Loan or Mortgaged Property exceed the amounts required to be applied in accordance with the foregoing clauses (a)-(i) and, as a result of a Workout the Junior Note Principal Balance has been reduced, such excess amount shall be paid to the Junior Noteholder in an amount up to the reduction, if any, of the Junior Note Principal Balance as a result of such Workout, plus the interest on such amount that would have accrued and been payable to the Junior Noteholder under subparagraph (e) above had the Junior Note Principal Balance not been reduced pursuant to a Workout; and
- (n) fourteenth, if any excess amount is available to be distributed in respect of the Loan, and not otherwise applied in accordance with the foregoing clauses (a)-(j), any remaining amount shall be paid pro rata to the Senior Noteholder and the Junior Noteholder in accordance with their respective Percentage Interests. For the avoidance of doubt and subject to Section 2(c) hereof, all amounts collected on the Loan that are then due, payable or reimbursable to any Servicer or Trustee with respect to the Loan pursuant to the Servicing Agreement and/or this Agreement shall be paid in accordance with the terms of the Servicing Agreement prior to any allocations to the Noteholders pursuant to this Section 3.
- (o) Notwithstanding anything to the contrary set forth in clauses (a)-(n) above, any and all amounts paid over to Servicer under the Limited Guaranty (all such amounts referred to herein as the "Limited Guaranty Proceeds") which occur prior to a Sequential Pay Event, shall be applied in accordance with this Agreement and distributed by the Servicer for payment in the following order of priority without duplication (and payments shall be made at such times as are set forth in the Servicing Agreement) as follows:
 - (1) Limited Guaranty Proceeds received prior to completion of any judicial or non-judicial foreclosure proceeding, the exercise of any power of sale, the taking of a deed or assignment in lieu of foreclosure or other transfer and disposition of the Mortgaged Property, shall be applied:

Notwithstanding anything to the contrary set forth in clauses (a)-(n) above, any and all amounts paid over to Servicer under the Limited Guaranty (all such amounts referred to herein as the "Limited Guaranty Proceeds") which occur prior to a Sequential Pay Event, shall be applied in accordance with this Agreement and distributed by the Servicer for

payment in the following order of priority without duplication (and payments shall be made at such times as are set forth in the Servicing Agreement) as follows:

- (a) first, Limited Guaranty Proceeds shall be paid to the Senior Noteholder in the amount of up to \$3,000,000.00 of the Senior Note Principal Balance;
 - (b) second, Limited Guaranty Proceeds shall be paid to the Junior Noteholder in an amount of up to \$2,000,000.00 of the Junior Note Principal Balance; and
 - (c) third, any remaining Limited Guaranty Proceeds available to be distributed in respect of the Loan shall be applied in accordance with the clauses (a)-(n) of Section 3 set forth above.
- (2) Limited Guaranty Proceeds received following the actual foreclosure upon, or comparable conversion or transfer (which may include acquisition of an REO Property), of the ownership of the Mortgaged Property, and subsequent disposition of the Mortgaged Property, resulting in less than 100% repayment of the Senior Note Principal Balance, shall be applied:
- (a) first, Limited Guaranty Proceeds shall be paid to the Senior Noteholder in the amount of up to \$3,000,000.00 of the Senior Note Principal Balance;
 - (b) second, Limited Guaranty Proceeds shall be paid to the Junior Noteholder in an amount equal to \$2,000,000.00; and
 - (c) third, any remaining Limited Guaranty Proceeds available to be distributed in respect of the Loan shall be applied in accordance with the clauses (a) -(p) of Section 3 set forth above.
- (3) Limited Guaranty Proceeds received following the actual foreclosure upon, or comparable conversion or transfer (which may include acquisition of an REO Property), of the ownership of the Mortgaged Property, and subsequent disposition of the Mortgaged Property, resulting in repayment in full of the outstanding principal balance of the Senior Note, shall be applied:
- (a) first, Limited Guaranty Proceeds shall be paid to the Senior Noteholder in the amount of up to \$3,000,000.00 of the Senior Note Principal Balance;
 - (b) Second, any remaining Limited Guaranty Proceeds available to be distributed in respect of the Loan shall be applied, in accordance with the clauses (a) - (n) of Section 3 set forth above.

Section 4. Payments Following a Sequential Pay Event. Payments of interest, principal and other amounts shall be made to the Noteholders in accordance with Section 3 of this Agreement; provided, if a Sequential Pay Event, as determined by the applicable Servicer, shall have occurred and be continuing, all amount received with respect to the Loan and the Mortgaged Property, other than (i) all amounts for required reserves or escrows required by the Loan Documents (to the extent, in accordance with the terms of the Loan Documents) to be held as reserves or escrows, (ii) amounts received as reimbursements on account of recoveries in respect of Protective Advances then due and payable or reimbursable to the Servicer or Trustee, (iii) awards or settlements to be applied to the restoration or repair of the Mortgaged Property or released to the Borrower in accordance with the terms of the Loan Documents, (iv) all amounts necessary to pay for costs and expenses relating to the operation, management, maintenance and disposition of any REO Property, including amounts reasonably reserved by the Servicer for such purposes, (v) other amounts payable to Servicer or that may be retained by Servicer in accordance with the Servicing Agreement and/or this Agreement, including, without limitation, the Servicing Fee, Workout Fee or Liquidation Fee, and (vi) any and all Limited Guaranty Proceeds actually received, shall be applied by in accordance with this Agreement and distributed by the Servicer for payment in the following order of priority without duplication (and payments shall be made at such times as are set forth in the Servicing Agreement):

- (a) first, to the Senior Noteholder an amount equal to the accrued and unpaid interest on the Senior Note Principal Balance at the Net Senior Note Rate;
- (b) second, to the Senior Noteholder an amount equal to the Senior Note Principal Balance, until the Senior Note Principal Balance has been reduced to zero;
- (c) third, to the Senior Noteholder up to the amount of any unreimbursed costs and expenses paid by the Senior Noteholder including any Recovered Costs not previously reimbursed to the Senior Noteholder (or paid or advanced by any Servicer or Trustee on its behalf and not previously paid or reimbursed) with respect to the Loan pursuant to this Agreement or the Servicing Agreement;
- (d) fourth, to the Junior Noteholder an amount equal to the Junior Note Interest Payment Amount to pay accrued and unpaid interest on the Junior Note at the Net Junior Note Rate;
- (e) fifth, to the Junior Noteholder an amount equal to the Junior Note Principal Balance, until the Junior Note Principal Balance has been reduced to zero;
- (f) sixth, any Stand-By Fee, to the extent paid by the Borrower, shall be paid to the Senior Noteholder;
- (g) seventh, to the Senior Noteholder an amount equal to the Senior Noteholder's percentage interest of any Exit Fee, based on its percentage interest calculated by taking the Maximum Senior Note Principal Balance (as shown on Exhibit A) divided by the Maximum Principal Amount of Loan (as shown on Exhibit A), to the extent paid by the Borrower;

- (h) eighth, to the Senior Noteholder an amount equal to the Senior Noteholder Percentage Interest of any Extension Fee, to the extent paid by the Borrower;
- (i) ninth, to the Senior Noteholder an amount equal to the Senior Noteholder Percentage Interest of any Prepayment Premium, to the extent paid by the Borrower;
- (j) tenth, to the Junior Noteholder an amount equal to the Junior Noteholder's percentage interest of any Exit Fee, based on its percentage interest calculated by taking the Initial Junior Note Principal Balance (as shown on Exhibit A) divided by the Maximum Principal Amount of Loan (as shown on Exhibit A), to the extent paid by the Borrower;
- (k) eleventh, to the Junior Noteholder an amount equal to the Junior Noteholder Percentage Interest of any Extension Fee, to the extent paid by the Borrower;
- (l) twelfth, to the Junior Noteholder an amount equal to the Junior Noteholder Percentage Interest of any Prepayment Premium, to the extent paid by the ;
- (m) thirteenth, to the extent the Junior Noteholder has made any payments or advances to cure defaults pursuant to Section 8 relating solely to the failure of the Borrower to make any monthly payments required pursuant to Section 2.3 of the Loan Agreement or to pay the required real estate taxes or insurance premiums due with respect to the Mortgaged Property, to reimburse the Junior Noteholder for all such cure payments;
- (n) fourteenth, to the extent Default Interest actually paid by the Borrower is not required to be otherwise applied under the Servicing Agreement (subject to Section 2(c) hereof), any such Default Interest be paid first to the Senior Note and then to the Junior Note pro rata to the Senior Noteholder and the Junior Noteholder in accordance with their respective Percentage Interests;
- (o) fifteenth, to the extent the Junior Noteholder has made any payments or advances to cure defaults pursuant to Section 8 (other than the defaults described in sub-clause (m) above), to reimburse the Junior Noteholder for all such cure payments;
- (p) sixteenth, if the proceeds of any foreclosure sale or any liquidation of a Loan or Mortgaged Property exceed the amounts required to be applied in accordance with the foregoing clauses (a)-(o) and, as a result of a Workout the Junior Note Principal Balance has been reduced, such excess amount shall be paid to the Junior Noteholder in an amount up to the reduction, if any, of the Junior Note Principal Balance as a result of such Workout, plus the interest on such amount that would have accrued and been payable to the Junior Noteholder under sub-paragraph (e) above had the Junior Note Principal Balance not been reduced pursuant to a Workout; and
- (q) seventeenth, if any excess amount is available to be distributed in respect of the Loan, and not otherwise applied in accordance with the foregoing clauses (a) (p), any remaining amount shall be paid pro rata to the Senior Noteholder and the Junior Noteholder in accordance with their respective Percentage Interests.

If the Loan is converted into a REO Property, interest will be deemed to continue to accrue on the Loan and the Notes as if the Loan were not so converted.

For the avoidance of doubt and subject to Section 2(c) hereof, all amounts collected on the Loan that are then due, payable or reimbursable to any Servicer or Trustee with respect to the Loan pursuant to the Servicing Agreement and/or this Agreement shall be paid in accordance with the terms of the Servicing Agreement prior to any allocations to the Noteholders pursuant to this Section 4.

Notwithstanding anything to the contrary set forth in clauses (a)-(q) above, any and all Limited Guaranty Proceeds if such payments occur after a Sequential Pay Event, shall be applied in accordance with this Agreement and distributed by the Servicer for payment in the following order of priority without duplication (and payments shall be made at such times as are set forth in the Servicing Agreement) as follows:

- (1) Limited Guaranty Proceeds received prior to completion of any judicial or non-judicial foreclosure proceeding, the exercise of any power of sale, the taking of a deed or assignment in lieu of foreclosure or other transfer and disposition of the Mortgaged Property, shall be applied:
 - (a) first, Limited Guaranty Proceeds shall be paid to the Senior Noteholder in the amount of up to \$3,000,000.00 of the Senior Note Principal Balance;
 - (b) second, Limited Guaranty Proceeds shall be paid to the Junior Noteholder in an amount of up to \$2,000,000.00 of the Junior Note Principal Balance; and
 - (c) third, any remaining Limited Guaranty Proceeds available to be distributed in respect of the Loan shall be applied in accordance with the clauses (a) (p) of Section 4 set forth above.

- (2) Limited Guaranty Proceeds received following the actual foreclosure upon, or comparable conversion or transfer (which may include acquisition of an REO Property), of the ownership of the Mortgaged Property, and subsequent disposition of the Mortgaged Property, resulting in less than 100% repayment of the Senior Note Principal Balance, shall be applied:
 - (a) first, Limited Guaranty Proceeds shall be paid to the Senior Noteholder in an amount equal to the lesser of (x) \$3,000,000.00 or (y) the outstanding Senior Note Principal Balance;
 - (b) second, Limited Guaranty Proceeds shall be paid to the Junior Noteholder in an amount equal to \$2,000,000.00; and
 - (c) third, any remaining Limited Guaranty Proceeds available to be distributed in respect of the Loan shall be applied in accordance with the clauses (a) (p) of Section 4 set forth above.

(3) Limited Guaranty Proceeds received following the actual foreclosure upon, or comparable conversion or transfer (which may include acquisition of an REO Property), of the ownership of the Mortgaged Property, and subsequent disposition of the Mortgaged Property, resulting in repayment in full of the outstanding principal balance of the Senior Note, shall be applied:

- (a) first, Limited Guaranty Proceeds shall be paid to the Junior Noteholder in an amount equal to the lesser of (x) \$2,000,000.00 or (y) the outstanding Junior Note Principal Balance; and
- (b) second, any remaining Limited Guaranty Proceeds available to be distributed in respect of the Loan shall be applied, in accordance with the clauses (a) (p) of Section 4 set forth above.

Section 8. Cure Rights of Junior Noteholder.

(a) Subject to Section 8(c) below, in the event that the Borrower fails to make any payment of principal, interest or any other amount (then due and payable) on the Loan by the end of the applicable grace period for such payment permitted under the applicable Loan Documents (a “Monetary Default”), the Senior Noteholder (or the Servicer on its behalf) shall promptly provide notice to the Junior Noteholder of such default (a “Monetary Default Notice”). The Junior Noteholder shall have the right, but not the obligation, to cure such Monetary Default within ten (10) Business Days after receiving a Monetary Default Notice (the “Monetary Default Cure Period”) and at no other times. At the time a payment is made to cure a Monetary Default, the Junior Noteholder shall pay or reimburse the Senior Noteholder for any Recovered Costs not previously reimbursed to the Senior Noteholder. So long as a Monetary Default exists for which a cure payment permitted hereunder is made or the Monetary Default Cure Period has not expired, such Monetary Default shall not be treated as an Event of Default by the Senior Noteholder (including for purposes of (i) the definition of “Sequential Pay Event,” (ii) accelerating the Loan, modifying, amending or waiving any provisions of the Loan Documents or commencing proceedings for foreclosure or the taking of title by deed-in-lieu of foreclosure or other similar legal proceedings with respect to the Mortgaged Property; or (iii) treating the Loan as a Specially Serviced Loan); provided that such limitation shall not prevent the Senior Noteholder from collecting Default Interest or late charges from the Borrower only. Any amounts advanced by a Noteholder on behalf of the Borrower to effect any cure shall be reimbursable to such Noteholder under Section 3 or Section 4, as applicable.

(b) If an Event of Default (other than a Monetary Default) occurs and is continuing under the Loan Documents (a “Non-Monetary Default”), the Senior Noteholder (or the Servicer on its behalf) shall promptly provide notice to the Junior Noteholder of such failure (a “Non-Monetary Default Notice”) and, subject to Section 8(c) below, the Junior Noteholder shall have the right, but not the obligation, to cure such Non-Monetary Default within the same period of time as the Borrower under the Loan Documents, without regard for the date of receipt by the Junior Noteholder of a Non-Monetary Default Notice, or in any event, at least sixty (60) days, to cure such Non-Monetary Default; provided, however, if such Non-Monetary Default is susceptible of cure but cannot reasonably be cured within such period and if curative action was promptly commenced and is being diligently pursued by the Junior Noteholder, the Junior Noteholder shall be given an additional period of time as is reasonably necessary to enable the Junior Noteholder in the exercise of due diligence to cure such Non-Monetary Default for so long as (i) the Junior Noteholder diligently and expeditiously proceeds to cure such Non-Monetary Default, (ii) the Junior Noteholder makes all cure payments that it is permitted to make in accordance with the terms and provisions of Section 8(a) hereof, (iii) such additional period of time does not exceed thirty (30) days, (iv) such Non-Monetary Default is not caused by an insolvency proceeding or during such period of time that the Junior Noteholder has to cure a Non-Monetary Default in accordance with this Section 8(b) (the “Non-Monetary Default Cure Period”), an insolvency proceeding with respect to Borrower or any Guarantor does not occur and (v) during such Non-Monetary Default Cure Period, there is no material deterioration in value or other adverse effect on the Borrower or the Mortgaged Property or the value of the Loan as a result of such Non-Monetary Default or the pendency of the attempted cure. Each Non-Monetary Default Notice shall contain a statement in boldface font that the Junior Noteholder’s failure to cure such Non-Monetary Default within the applicable Non-Monetary Default Cure Period after receiving such notice will result in the termination of the right to cure such Non-Monetary Default.

So long as a Non-Monetary Default exists for which the Non-Monetary Default Cure Period has not expired, and Junior Noteholder is diligently prosecuting the cure of the same, such Non-Monetary Default shall not be treated as an Event of Default by the Senior Noteholder or the Junior Noteholder (including, without limitation, for purposes of (i) the definition of “Sequential Pay Event”, (ii) for purposes of accelerating the Loan, modifying, amending or waiving any provisions of the Loan Documents or commencing proceedings for foreclosure or the taking of title by deed-in-lieu of foreclosure or other similar legal proceedings with respect to the Mortgaged Property unless Junior Noteholder otherwise elects or (iii) treating the Loan as a Specially Serviced Loan); provided, that such limitation shall not prevent the Senior Noteholder from collecting Default Interest or late charges from the Borrower.

(c) Notwithstanding anything to the contrary contained in Section 8(a) or Section 8(b), Junior Noteholder shall continue to retain consent rights in connection with a Major Decision and with regard to actions following the occurrence and during the continuance of an Event of Default so long as Junior Noteholder pays to Senior Noteholder, within ten (10) Business Days of receipt of written notice from Senior Noteholder or Servicer that Borrower has failed to make the required payment due on such Monthly Payment Date (as defined in the Loan Agreement), the outstanding interest at the Senior Note Rate due on such Monthly Payment Date (as defined in the Loan Agreement); provided, however, Junior Noteholder shall no longer be entitled to such Noteholder Consent rights in the event Junior Noteholder fails to make such interest payments to the Senior Noteholder in accordance with the terms of this Agreement, except that Junior Noteholder shall continue to have the right of Noteholder Consent solely as it relates to the reduction of the principal balance of the Junior Note, even if Junior Noteholder fails to make the interest payments described herein, only for so long as the Loan-to-Value Ratio is less than 90%. For purposes herein, "Loan-to-Value Ratio" means the ratio, as determined by Senior Noteholder, of the aggregate principal balance of the Loan and all undisbursed advances thereunder (if any) and all other indebtedness secured by liens or encumbrances against the Mortgaged Property or against the direct or indirect ownership interests in Borrower to the fair market value of the Mortgaged Property. At Junior Noteholder's option, such fair market value shall be determined by an Appraisal, at Junior Noteholder's sole cost and expense.

(d) The Junior Noteholder shall not contact the Borrower in order to effect any cures under Sections 8(a) or 8(b) without the prior written consent of the Senior Noteholder in its sole and absolute discretion.

(e) No action taken by the Junior Noteholder in accordance with this Agreement shall excuse performance by the Borrower of its obligations under the Loan Documents and the Senior Noteholder's rights under the Loan Documents shall not be waived or prejudiced by virtue of the Junior Noteholder's actions under this Agreement. Subject to the terms of this Agreement, the Junior Noteholder shall be subrogated to the Senior Noteholder's rights to any payment owing to the Senior Noteholder for which the Junior Noteholder makes a cure payment as permitted under this Section 8 but such subrogation rights may not be exercised against the Borrower until 91 days after the Note is paid in full.

INVESTOR NOTICES

THE SECURITIES OFFERED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE “ACT”) OR THE SECURITIES LAWS OF CERTAIN STATES AND ARE BEING OFFERED AND SOLD IN RELIANCE ON EXEMPTIONS FROM THE REGISTRATION REQUIREMENTS OF THE ACT AND SUCH SECURITIES LAWS. THE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION, ANY STATE SECURITIES COMMISSION OR OTHER REGULATORY AUTHORITY, NOR HAVE THE FOREGOING AUTHORITIES PASSED UPON OR ENDORSED THE MERITS OF THIS OFFERING OR THE ACCURACY OR ADEQUACY OF THIS PRIVATE INVESTMENT MEMORANDUM. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

THE SECURITIES OFFERED HEREBY WILL BE OFFERED IN A TRANSACTION NOT INVOLVING A PUBLIC OFFERING IN RELIANCE UPON THE EXEMPTION FROM REGISTRATION AFFORDED BY RULE 506(b) OF REGULATION D OF THE ACT AND MAY ONLY BE OFFERED AND SOLD TO INVESTORS WHO MEET THE STANDARDS FOR INVESTMENT SET FORTH IN THIS PRIVATE INVESTMENT MEMORANDUM UNDER “**SUITABILITY STANDARDS**”.

IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR 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. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

THESE SECURITIES ARE SUBJECT TO RESTRICTION ON TRANSFERABILITY AND RESALE AND MAY NOT BE TRANSFERRED OR RESOLD EXCEPT AS PERMITTED UNDER THE ACT AND THE APPLICABLE STATE SECURITIES LAWS, PURSUANT TO REGISTRATION OR EXEMPTION THEREFROM, AND UNDER THE OPERATING AGREEMENT FOR THE COMPANY. INVESTORS SHOULD BE AWARE THAT THEY WILL BE REQUIRED TO BEAR THE FINANCIAL RISKS OF THIS INVESTMENT FOR AN INDEFINITE PERIOD OF TIME.

PROSPECTIVE INVESTORS ARE NOT TO CONSTRUE THE CONTENTS OF THIS PRIVATE INVESTMENT MEMORANDUM OR ANY PRIOR OR SUBSEQUENT COMMUNICATION FROM THE MANAGERS AS LEGAL OR TAX ADVICE. PROSPECTIVE INVESTORS ARE INVITED TO DISCUSS ALL ASPECTS OF THE TRANSACTION AND THE MATTERS DESCRIBED HEREIN WITH THE MANAGERS, BUT EACH INVESTOR MUST RELY UPON HIS OR HER OWN REPRESENTATIVES AND ADVISORS (INCLUDING HIS OR HER OWN LEGAL COUNSEL AND ACCOUNTANTS) AS TO LEGAL, TAX, AND RELATED MATTERS CONCERNING THEIR INVESTMENT.

NO PERSON IS AUTHORIZED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATION NOT CONTAINED IN THIS PRIVATE INVESTMENT MEMORANDUM

OR IN THE EXHIBITS HERETO OR DOCUMENTS REFERRED TO HEREIN WITH RESPECT TO THE TRANSACTIONS AND MATTERS DESCRIBED HEREIN, AND ANY INFORMATION OR REPRESENTATION NOT CONTAINED HEREIN MUST NOT BE RELIED UPON. THIS PRIVATE INVESTMENT MEMORANDUM HAS BEEN PREPARED SOLELY FOR THE BENEFIT OF PERSONS INTERESTED IN THE PROPOSED MEMBERSHIP INTERESTS OFFERED HEREIN AND MAY NOT BE REPRODUCED OR USED FOR ANY OTHER PURPOSE.

IN CONNECTION WITH THE OFFERING AND SALE OF SUCH MEMBERSHIP INTERESTS, THE MANAGERS RESERVE THE RIGHT, IN THEIR SOLE DISCRETION, TO REJECT ANY SUBSCRIPTION IN WHOLE OR IN PART, OR TO ALLOT TO ANY PROSPECTIVE INVESTOR LESS THAN APPLIED FOR BY SUCH INVESTOR.

AN INVESTMENT IN SUCH MEMBERSHIP INTERESTS WILL INVOLVE SUBSTANTIAL RISKS AND SHOULD BE CONSIDERED ONLY BY INVESTORS WHO HAVE NO NEED FOR LIQUIDITY IN THEIR INVESTMENT AND CAN AFFORD TO LOSE THEIR ENTIRE INVESTMENT. SEE “**RISK FACTORS**”.

THIS PRIVATE INVESTMENT MEMORANDUM DOES NOT CONSTITUTE AN OFFER OR SOLICITATION BY OR TO ANYONE IN ANY JURISDICTION IN WHICH SUCH AN OFFER OR SOLICITATION IS NOT AUTHORIZED. ANY REPRODUCTION OR DISTRIBUTION OF THIS PRIVATE INVESTMENT MEMORANDUM IN WHOLE OR IN PART, OR THE DIVULGENCE OF ANY OF ITS CONTENTS WITHOUT THE PRIOR WRITTEN CONSENT OF THE MANAGERS, IS PROHIBITED. BY ACCEPTING THIS PRIVATE INVESTMENT MEMORANDUM, THE RECIPIENT AGREES TO RETURN THE SAME TO THE MANAGERS IF HE OR SHE REACHES A DECISION NOT TO MAKE AN INVESTMENT OR IF HIS OR HER SUBSCRIPTION IS REJECTED.

THE MANAGERS HAVE AGREED TO PROVIDE, PRIOR TO THE CONSUMMATION OF THE TRANSACTION CONTEMPLATED HEREIN, TO EACH PROSPECTIVE INVESTOR AND ANY OF THEIR REPRESENTATIVES THE OPPORTUNITY TO INSPECT ADDITIONAL DOCUMENTS AND TO INQUIRE OF, AND TO RECEIVE ANSWERS FROM, THE MANAGERS OR ANY PERSON ACTING ON THEIR BEHALF, CONCERNING THE TERMS AND CONDITIONS OF THIS OFFERING. EACH PROSPECTIVE INVESTOR MAY ALSO OBTAIN ANY ADDITIONAL INFORMATION FROM THE MANAGERS TO THE EXTENT THEY POSSESS SUCH INFORMATION, OR CAN ACQUIRE IT WITHOUT UNREASONABLE EFFORT OR EXPENSE, NECESSARY TO VERIFY THE ACCURACY OF THE INFORMATION SET FORTH HEREIN.

THIS PRIVATE INVESTMENT MEMORANDUM DOES NOT CONTAIN ANY UNTRUE STATEMENT OF A MATERIAL FACT OR OMIT TO STATE A MATERIAL FACT NECESSARY TO MAKE THE STATEMENTS MADE NOT MISLEADING. IT CONTAINS A FAIR SUMMARY OF THE MATERIAL TERMS OF THE DOCUMENTS PURPORTED TO BE SUMMARIZED HEREIN.

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