Addendum No. 1

(Dated June 10, 2020)
to the Confidential Private Placement Memorandum
of TEI Diversified Income & Opportunity Fund V, LLC,
dated January 1, 2020

This Addendum No. 1 modifies and supplements the Confidential Private Placement Memorandum of TEI Diversified Income & Opportunity Fund V, LLC, dated January 1, 2020 (the "**Memorandum**"), which should be read in conjunction with the Memorandum and its Supplements (including but not limited to the Special Risk Section in the Memorandum). Terms with initial capitals, not otherwise defined in Addendum No. 1, have the meanings set forth in the Memorandum.

Special Risk as to COVID 19 Pandemic

The ongoing spread of COVID-19 and its fallout present significant and uncertain risks with respect to this Offering and the operations of the Properties and Tenants. COVID-19 has created a significant downturn or even a depression in the global economy, with the unemployment rate reaching new highs. Given the current landscape, the global outbreak of COVID-19 presents many significant challenges and will have ramifications across many industries both in the near and long term, including the real estate industry. COVID-19 is a public and political crisis, and unknown disruptions may occur. The effects of COVID-19 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-19. Any negative change in the general economic conditions in the United Stated could adversely affect the financial condition and operating results of the Properties. In addition, a Property'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 further, the Tenants may experience material impacts in their financial conditions, which may affect a Property's operating results. Due to the uncertainty surrounding COVID-19 and its ramifications, Investors may lose a significant portion of their investment in the Fund. Potential COVID-19 risks in connection with this Offering, the Properties and the Tenants, include, but certainly are not limited to, the following:

- The Tenants may experience material impacts in their financial condition, which may affect their ability to pay rent and, thus, a Property's operating results.
- Self-quarantine or actual viral health issues may result in management, employee or staff shortages.
- COVID-19 may be spread through encounters at a Property.
- Lawsuits may be filed in relation to COVID-19 issues at a Property.
- Owners of the Properties and Tenants 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 Properties will achieve projected cash flows.

The recent outbreak of the novel coronavirus (COVID-19) pandemic has resulted in widespread restrictions and closures of commercial facilities across the United States and the world, including in the states and countries where the Properties 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-19 on the Tenants, their employees and customers and/or on the economic condition of the Properties. For instance, an outbreak of COVID-19 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-19 may impact on the operations and financial conditions of the Properties and the Tenants is the unknown at this time and will depend on future developments, including the ultimate geographic spread of COVID-19, the severity and the duration of the pandemic (including any resurgence) 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-19 pandemic has had a devastating impact on many people's health and globally to our health care systems. In addition to the affect 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, 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 are continuing to request rent relief which includes reducing, deferring or even waiving rent for three months (and sometimes more). In addition, in some jurisdictions government policies limit or prohibit rent collection legal actions.

As we slowly transition out of the total shut down of many cities and more normalized operating, acquisition and financing activity is resumed, we are hopeful that tenants and their customers will resume shopping, dining and going to work. While it is hard to estimate the long term effect the pandemic will have on the properties that Time Equities, Inc. and its affiliates already own, and/or as to those the Fund has or will invest in, there is no doubt that most properties, if not all, have or will be negatively impacted. As to new acquisitions, Time Equities, Inc. has and will continue to adjust its underwriting assumptions and projections to take into account the added risk caused by the pandemic crisis and the possible reduction in occupancy and earnings in the future that might be experienced.

COVID-19 and the resulting economic downturn it has currently 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 interest rate 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 properties 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 the first financing for a Property 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 such current tightening and/or pullback of the mortgage loan market.

The supplements for the Properties will contain certain forwardlooking statements. As a result of COVID-19 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 Properties. 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.