

REVOLVING CREDIT AGREEMENT

dated as of April 23, 2021

among

**Hawthorne Land, LLC
and
Hawthorne Interests, LLC**

as Borrowers, and

And Hawthorne Income Fund, LLC

as Lender

THIS CREDIT AGREEMENT, dated as of April 23, 2021, is by and among Hawthorne Land, LLC (“Hawthorne Land”), a Texas limited liability company and Hawthorne Interests, LLC (“Hawthorne Interests”), a Texas limited liability company (each of Hawthorne Land and Hawthorne Interests, a “Borrower” and collectively the “Borrowers”) and Hawthorne Income Fund, LLC, a Delaware limited liability company (the “Lender”).

RECITALS

A. The Borrowers have requested that the Lender provide certain loans to and extensions of credit to the Borrowers.

B. The Lender has agreed to make such loans and extensions of credit subject to the terms and conditions of this Agreement.

C. In consideration of the mutual covenants and agreements herein contained and of the loans, extensions of credit and commitments hereinafter referred to, the parties hereto agree as follows:

ARTICLE I **Definitions and Accounting Matters**

Section 1.01 Certain Defined Terms. As used in this Agreement, the following terms have the meanings specified below:

“Affiliate” means, with respect to a specified Person, another Person that directly, or indirectly through one or more intermediaries, Controls or is Controlled by or is under common Control with the Person specified.

“Agreement” means this Credit Agreement, as the same may from time to time be amended, restated, amended and restated, supplemented or otherwise modified.

“Borrower” has the meaning assigned to such term in the introductory paragraph hereto.

“Borrowing Request” means a request by the Borrower for a Loan in accordance with Section 2.03.

“Business Day” means any day that is not a Saturday, Sunday or other day on which commercial banks in Houston, Texas are authorized or required by law to remain closed.

“Code” means the Internal Revenue Code of 1986, as amended from time to time, and any successor statute.

“Collateral” means all Property of the Borrowers that is secured by a Lien under one or more Security Instruments, including the Mortgaged Property and the Pledged Notes.

“Commitment” means initially \$20,000,000, and may be increased or decreased from time to time based primarily on the amount of investment that the Lender has obtained from its investors.

“Control” means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ability to exercise voting power, by contract or otherwise. “Controlling” and “Controlled” have meanings correlative thereto.

“Debtor Relief Laws” means the Bankruptcy Code of the United States, and all other liquidation, conservatorship, bankruptcy, assignment for the benefit of creditors, moratorium, rearrangement, receivership, insolvency, reorganization, or similar debtor relief laws of the United States or other applicable jurisdictions from time to time in effect.

“dollars” or “\$” refers to lawful money of the United States.

“Equity Interests” means shares of capital stock, partnership interests, membership interests in a limited liability company, beneficial interests in a trust or other equity ownership interests in a Person, and any warrants, options or other rights entitling the holder thereof to purchase or acquire any such Equity Interests.

“Event of Default” has the meaning assigned to such term in Section 8.01.

“Governmental Authority” means the government of the United States, any other nation or any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government (including (i) the National Association of Insurance Commissioners and (ii) any supranational bodies, such as the European Union or the European Central Bank).

“Governmental Requirement” means any applicable law, statute, code, ordinance, order, determination, rule, regulation, judgment, decree, injunction, franchise, permit, certificate, license, rules of common law, authorization or other directive or requirement, whether now or hereinafter in effect, of any Governmental Authority.

“Highest Lawful Rate” means the maximum nonusurious interest rate, if any, that at any time or from time to time may be contracted for, taken, reserved, charged or received on the Loans or on other Secured Obligations under applicable laws which are presently in effect or, to the extent allowed by law, under such applicable laws which may hereafter be in effect and which allow a higher maximum nonusurious interest rate than applicable laws allow as of the date hereof.

“Land Loan Availability” means the lesser of (i) 65% of the Projected After Improved Value of the relevant Property subject to a Mortgage and (ii) the sum of (a) the total purchase price of such Property and (b) the Property Related Expenses related to such Property; provided that the Borrowers shall have the option of providing invoices and receipts evidencing Property Related Expenses (satisfactory to the Lender) related to the relevant Property from time to time to increase the Land Loan Availability.

“Lien” means any lien, mortgage, pledge, assignment, security interest, charge or similar encumbrance (including any conditional sale or other title retention agreement, and any lease in the nature thereof) and any option, trust or other preferential arrangement having the practical effect of any of the foregoing.

“Loan” means a loan made to the Borrower pursuant to Article II.

“Loan Documents” means, collectively, this Agreement, the Notes and the Security Instruments.

“Material Adverse Effect” means a material adverse effect on the results of operations, business, assets or financial condition of the Borrowers, taken as a whole.

“Maturity Date” means April 23, 2041, or such later date as extended by the Lender.

“Maximum Availability” means (i) with respect to a Loan where the associated Collateral is Mortgaged Property, the Land Loan Availability and (ii) with respect to a Loan where the associated Collateral is Pledged Notes, the Pledged Note Loan Availability.

“Mortgage” means any mortgage, deed of trust or any other document creating and evidencing a Lien on real Property in favor of the Lender, each of which shall be in a form reasonably satisfactory to the Lender, as the same may be amended, modified, supplemented or restated from time to time in accordance with the Loan Documents.

“Mortgaged Property” means any Property owned by any Borrower that is subject to a Mortgage.

“Notes” means the promissory notes of the Borrower described in Article II and being substantially in the form of Exhibit A or such other form reasonably acceptable to Lender, together with all amendments, modifications, replacements, extensions and rearrangements thereof.

“Organization Documents” means, (a) with respect to any corporation, the certificate or articles of incorporation and the bylaws (or equivalent or comparable constitutive documents with respect to any jurisdiction); (b) with respect to any limited liability company, the certificate or articles of formation or organization and operating agreement; and (c) with respect to any partnership, joint venture, trust or other form of business entity, the partnership, joint venture or other applicable agreement of formation or organization and any agreement, instrument, filing or notice with respect thereto filed in connection with its formation or organization with the applicable Governmental Authority in the jurisdiction of its formation or organization and, if applicable, any certificate or articles of formation or organization of such entity.

“Owner Financed Loan” means a loan made by a Borrower or another Person to a purchaser of real Property. Owner Financed Loans may be sold or transferred from time to time from one Person to another, including from one Borrower to the other Borrower.

“Person” means any natural person, corporation, limited liability company, trust, joint venture, association, company, partnership, Governmental Authority or other entity.

“Pledged Note Loan Availability” means the lesser of (i) the unpaid principal balance of the relevant Owner Financed Loan that is being pledged as Collateral pursuant to a Borrowing Request (the “Relevant Pledged Note”) and (ii) a principal amount such that the interest and principal payment due on such Loan to the Lender (based on an amortization schedule that matches the remaining term of the Relevant Pledged Note) on a monthly basis is 10% less than the amount

of scheduled interest and principal that the Borrowers expect to receive from the borrower under the Relevant Pledged Note on a monthly basis (e.g. if the Borrowers expect to receive \$1,000 a month on the Relevant Pledged Note, then the Borrowers will expect to pay \$900 a month to the Lender as principal and interest on the applicable Pledged Note Loan and therefore the principal amount of the relevant Loan would be a principal amount such that the monthly scheduled interest and principal thereunder would be \$900).

“Pledged Note” means an Owner Financed Loan that is subject to a Security Instrument.

“Projected After Improved Value” means the market value of Property based on sales of comparable Properties including those that a Borrower or an Affiliate has previously sold on owner financing in prior transactions. Upon request by Lender, the Borrowers shall provide any information necessary or desirable to substantiate Projected After Improved Value and Lender shall have the discretion to determine such Projected After Improved Value in good faith acting reasonably.

“Property” means any interest in any kind of property or asset, whether real, personal or mixed, or tangible or intangible (including, without limitation, cash, securities, accounts, contract rights and Equity Interests or other ownership interests of any Person), whether now in existence or owned or hereafter acquired.

“Property Related Expenses” means costs and expenses related to the acquisition and improvement or development of any property, including without limitation, closing costs, survey costs, property taxes, insurance, legal fees, marketing expenses, salesperson commissions, renovations, improvements, equipment leasing fees, permitting costs, notary fees and courier fees. Upon request by Lender, Borrower shall provide any invoices and receipts necessary or desirable to substantiate Property Related Expenses and Lender shall have the discretion to determine such Property Related Expenses in good faith acting reasonably.

“Relevant Interest Rate” means, the lesser of (1) 10% per annum and (2) the per annum weighted averaged of the preferred returns accrued by the investors in the Lender during the prior month, excluding the impacts of new amounts invested during a partial month, as determined by the Lender in good faith.

“Responsible Officer” means, as to any Person, the Chief Executive Officer or the President of such Person. Unless otherwise specified, all references to a Responsible Officer herein shall mean a Responsible Officer of the Borrowers.

“Secured Obligations” means any and all obligations of and amounts owing or to be owing (including interest accruing at any post-default rate and interest accruing after the filing of any proceeding under any Debtor Relief Law, relating to any Borrower, whether or not a claim for post-filing or post-petition interest is allowed in such proceeding) by any Borrower (whether direct or indirect (including those acquired by assumption), absolute or contingent, due or to become due, now existing or hereafter arising) to the Lender under any Loan Document.

“Security Instruments” means the Mortgages, collateral transfer or assignment of lien and promissory note and any and all other agreements, instruments, consents or certificates now or

hereafter executed and delivered by the Borrowers as security for the payment or performance of the Secured Obligations, the Notes, this Agreement, as the same may be amended, modified, supplemented or restated from time to time.

“United States” means the United States of America.

Section 1.02 Terms Generally; Rules of Construction. The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words “include”, “includes” and “including” shall be deemed to be followed by the phrase “without limitation”. The word “will” shall be construed to have the same meaning and effect as the word “shall”. Unless the context requires otherwise (a) any definition of or reference to any agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, restated, amended and restated, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth in the Loan Documents), (b) any reference herein to any law or regulation shall be construed, unless otherwise specified, as referring to such law or regulation as amended, restated, amended and restated, modified, supplemented, codified or reenacted, in whole or in part, and in effect from time to time, (c) any reference herein to any Person shall be construed to include such Person’s successors and permitted assigns (subject to the restrictions contained in the Loan Documents), (d) the words “herein”, “hereof” and “hereunder”, and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision hereof, (e) with respect to the determination of any time period, the word “from” means “from and including” and the word “to” means “to and including” and (f) any reference herein to Articles, Sections, Annexes, Exhibits and Schedules shall be construed to refer to Articles and Sections of, and Annexes, Exhibits and Schedules to, this Agreement. No provision of this Agreement or any other Loan Document shall be interpreted or construed against any Person solely because such Person or its legal representative drafted such provision.

Section 1.03 Timing of Payment of Performance; Times of Day. When payment of any obligation or the performance of any covenant, duty or obligation is stated to be due or performance required on a day which is not a Business Day, the date of such payment or performance shall extend to the immediately succeeding Business Day, and, in the case of any payment accruing interest, interest thereon shall be payable for the period of such extension. Unless otherwise specified herein, all references herein to times of day shall be references to Houston, Texas time (daylight or standard, as applicable). All payments required hereunder shall be made in dollars.

ARTICLE II

The Credits

Section 2.01 Commitments. Subject to the terms and conditions set forth herein, the Lender agrees to make revolving loans to the Borrowers from time to time up to the Maximum Availability relevant to a specific Loan request, provided that at no time shall the principal amount of all Loans outstanding exceed the Commitment. Within the foregoing limits and subject to the terms and conditions set forth herein, the Borrowers may borrow, repay and reborrow Loans. The

Borrowers and the Lenders shall keep written records of each Loans and disbursements therefrom and payments thereon.

Section 2.02 Loans and Borrowings.

(a) Note. The Loans shall be evidenced by one or more promissory notes of the Borrowers in substantially the form of Exhibit A and other promissory notes in form and substance reasonably acceptable to the Lender if separate promissory notes are (i) requested by any title agency, title company, fee attorney office or other relevant counterparty or (ii) necessary or desirable as determined by the Borrowers and the Lender.

(b) Land Loans and Mechanics on Releasing Money from Escrow. From time to time, the Borrowers will request Land Loans which will have mechanics on releasing money from escrow held by the Lender from the Loan. Such escrowed amounts shall be released to the Borrowers upon incurrence of Property Related Expenses and the completion of improvements, in each case reasonably satisfactory to the Lender.

Section 2.03 Requests for Borrowings. To request a Borrowing, the Borrower shall notify the Lender on or before the date of the proposed Borrowing by delivering (which may be by e-mail) the Lender a written Borrowing Request in substantially the form of Exhibit B and signed by the relevant Borrower or Borrowers. Each written Borrowing Request shall specify the following information in compliance with Section 2.02:

(i) the amount of the requested Loan and the date of such Loan, which shall be a Business Day; provided that the Borrowers may require that the Lender net fund Loans as applicable based on payments being made by Borrowers to the Lender substantially simultaneously (for example, if the Borrowers were making a (A) prepayment of a Loan and (B) simultaneously desire to borrow a different Loan, the Borrowers may request a net borrowing from the Lender, i.e. an amount equal to the difference of the amount in clause (B) and clause (A));

(ii) whether the requested Loan is a Land Loan or a Pledged Note Loan;

(iii) whether the current total principal amount of all Loans outstanding (including the Loans subject to the Borrowing Request) exceeds the Commitment;

(iv) the maturity date of the Loan requested;

(v) the Maximum Availability with respect to such requested Loan, the Collateral being pledged in connection with the incurrence of such Loan and supporting detail for the calculations of the Maximum Availability; and

(vi) the account of the Borrower, the title agency, title company, fee attorney office or other relevant counterparty to which funds are requested to be sent.

ARTICLE III
Payments of Principal and Interest; Prepayments; Fees

Section 3.01 Repayment of Loans. The Borrower hereby unconditionally promises to pay to the Lender the Loans on or before the Maturity Date.

Section 3.02 Interest and Principal.

(a) Loans. Each Loan shall bear interest at the Relevant Interest Rate.

(b) Payment Dates and Amounts. The payment required on each Loan shall be payable in arrears on each month for such Loan by the 28th of the month and on the Maturity Date. With respect to any Land Loan, the payment required shall be interest only. With respect to any Pledged Note Loan, the payment required shall be principal and interest and calculated using an amortization schedule that matches the remaining term of the relevant Collateral being pledged to secure such Pledged Note Loan.

(c) Interest Rate Computations. All interest hereunder shall be computed on the basis of a year of 365 days (or 366 days in a leap year), and in each case shall be payable for the actual number of days elapsed (including the first day but excluding the last day).

Section 3.03 Prepayments.

(a) Optional Prepayments. The Borrower shall have the right at any time and from time to time to prepay any Loan, in whole or in part.

(b) Mandatory Prepayments. If, at any time, (i) the outstanding principal amount of any Loan exceeds the Maximum Availability applicable to such Loan or (ii) the principal amount outstanding of all Loans exceeds the total Commitments, then the Borrowers shall (iii) prepay such Loan or Loans within thirty (30) days or such later time acceptable to the Lender or (iv) deliver additional Collateral to the Lender, in each case in an amount sufficient to cure such excess.

(c) No Premium or Penalty. Prepayments permitted or required under this Section 3.03 shall be without premium or penalty.

Section 3.04 Overpayments. To the extent the Borrowers have paid the Lender more than the correct payment in error, the Lender shall refund such excess upon the request of the Borrowers.

ARTICLE IV
Conditions Precedent

Section 4.01 Effective Date. The obligations of the Lender to make Loans shall not become effective until the Business Day on which each of the following conditions is satisfied:

(a) The Lender shall have received a certificate of a Responsible Officer) of each Borrower setting forth (i) resolutions of its board of directors or equivalent governing body

or Person with respect to the authorization of each Borrower to execute and deliver the Loan Documents to which it is a party and to enter into and perform, (ii) the officers of each Borrower (x) who are authorized to sign the Loan Documents to which the Borrower is a party and (y) who will, until replaced by another officer or officers duly authorized for that purpose, act as such Borrower's representatives for the purposes of signing documents and giving notices and other communications in connection with this Agreement, (iii) specimen signatures of such authorized officers and (iv) the Organization Documents of the each Borrower.

Section 4.02 Each Credit Event. The obligation of the Lender to make a Loan is subject to the satisfaction of the following conditions:

(a) At the time of and immediately after giving effect to such Loan, no Event of Default shall have occurred and be continuing.

(b) The representations and warranties of each Borrower set forth in this Agreement and in the other Loan Documents shall be true and correct in all material respects on and as of the date of such Loan, except (i) to the extent any such representations and warranties are expressly limited to an earlier date, in which case, on and as of the date of such Loan, such representations and warranties shall continue to be true and correct in all material respects as of such specified earlier date and (ii) to the extent that any representation or warranty that is qualified by "material" or "Material Adverse Effect" references therein, such representation or warranty shall be true and correct in all respects on and as of the date of such Loan.

ARTICLE V

Representations and Warranties

Each Borrower represents and warrants to the Lender that:

Section 5.01 Organization; Powers. Such Borrower is a legal entity duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization, has all requisite power and authority, and has all material governmental licenses, authorizations, consents and approvals necessary, to own its assets and to carry on its business as now conducted, and is qualified to do business in, and is in good standing in, every jurisdiction where such qualification is required, except where failure to have such power, authority, licenses, authorizations, consents, approvals and qualifications would not reasonably be expected to result in a Material Adverse Effect.

Section 5.02 Authority; Enforceability. The transactions contemplated hereby are within such Borrower's corporate, limited liability company, or partnership powers and have been duly authorized by all necessary corporate, limited liability company, or partnership action and, if required, equity owner action. Each Loan Document to which such Borrower is a party has been duly executed and delivered by such Borrower, as applicable, and constitutes a legal, valid and binding obligation of such Borrower, enforceable in accordance with its terms, subject to applicable Debtor Relief Laws or other laws affecting creditors' rights generally and subject to general principles of equity, regardless of whether considered in a proceeding in equity or at law.

ARTICLE VI
Affirmative Covenants

Until the payment in full of the Secured Obligations, each Borrower covenants and agrees with the Lender that:

Section 6.01 Further Assurances. Each Borrower at its sole expense will, and will cause each other relevant party to, promptly execute and deliver to the Lender all such other documents, agreements and instruments reasonably requested by the Lender to comply with, cure any defects or accomplish the conditions precedent, covenants and agreements of such Borrower in the Loan Documents, including the Notes, or to further evidence and more fully describe the Collateral intended as security for the Secured Obligations, or to correct any omissions in this Agreement or the Security Instruments, or to state more fully the obligations secured therein, or to perfect, protect or preserve any Liens created pursuant to this Agreement or any of the Security Instruments or the priority thereof, or to make any recordings, file any notices or obtain any consents, approvals, licenses and permits, all as may be reasonably necessary or appropriate in accordance with the terms of this Agreement and the other Loan Documents, in the reasonable discretion of the Lender, in connection therewith.

ARTICLE VII
Negative Covenants

Until the payment in full of the Secured Obligations, the Borrower covenants and agrees with the Lender that:

Section 7.01 Liens. The Borrowers will not create, incur, assume or permit to exist any Lien on any of its Properties that are pledged as Collateral, except (a) Liens securing the payment of any Secured Obligations pursuant to the Security Instruments and (b) Liens that are junior or subordinate to the Liens pursuant to the Security Instruments.

Section 7.02 Mergers, Etc. The Borrowers will not merge into or with or consolidate with any other Person, or permit any other Person to merge into or consolidate with it, or sell, transfer, lease or otherwise dispose of (whether in one transaction or in a series of transactions) all or substantially all of its Property to any other Person (whether now owned or hereafter acquired) (any such transaction, a "consolidation"), or liquidate or dissolve; *provided* that each Borrower may participate in a consolidation with any other Person so long as (i) no Event of Default is continuing, (ii) any such consolidation would not cause an Event of Default hereunder and (iii) if the Borrower consolidates with any Person, the Borrower shall be the surviving Person.

Section 7.03 Sale of Properties. The Borrowers will not sell, assign, convey or otherwise transfer any Property that is Collateral except for:

- (a) the transfer of Property from one Borrower to the other Borrower; and
- (b) those permitted by the Lender and the Lender shall provide any release of lien or any other document necessary or desirable to effectuate the transfer of Property permitted by Lender.

ARTICLE VIII
Events of Default; Remedies

Section 8.01 Events of Default. One or more of the following events shall constitute an “Event of Default”:

(a) The Borrowers shall fail to pay any principal or interest of any Loan when and as the same shall become due and payable, whether at the due date thereof or at a date fixed for prepayment thereof, by acceleration or otherwise.

(b) Any representation or warranty made or deemed made by or on behalf of the Borrowers in or in connection with any Loan Document or any amendment or modification of any Loan Document or waiver under such Loan Document, or in any report, certificate, financial statement or other document required under any Loan Document or any amendment or modification thereof or waiver thereunder, shall prove to have been incorrect in any material respect when made or deemed made or, to the extent any such representation or warranty is qualified by “material” or “Material Adverse Effect” references therein, such representation or warranty shall prove to have been incorrect in any respect when made or deemed made.

(c) The Borrowers shall fail to observe or perform any covenant, condition or agreement contained in Article VI or Article VII and such failure shall continue unremedied for a period of thirty (30) days after the earlier to occur of (i) notice thereof from the Lender to the Borrowers or (ii) a Responsible Officer of the Borrowers otherwise becoming aware of such default.

(d) An involuntary proceeding shall be commenced or an involuntary petition shall be filed seeking (i) liquidation, reorganization or other relief in respect of the Borrowers or their debts, or of a substantial part of its assets, under any Federal, state or foreign Debtor Relief Laws now or hereafter in effect or (ii) the appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for the Borrowers or for a substantial part of their assets, and, in any such case, such proceeding or petition shall continue undismissed for sixty (60) days or an order or decree approving or ordering any of the foregoing shall be entered.

(e) The Borrowers shall voluntarily commence any proceeding or file any petition seeking liquidation, reorganization or other relief under any Federal, state or foreign Debtor Relief Laws now or hereafter in effect.

Section 8.02 Remedies. In the case of an Event of Default, at any time during the continuance of such Event of Default, the Lender, may, by notice to the Borrower, take either or both of the following actions, at the same or different times: (i) terminate the Commitments, and thereupon the Commitments shall terminate immediately and (ii) declare the Loans then outstanding to be due and payable in whole (or in part, in which case any principal not so declared to be due and payable may thereafter be declared to be due and payable), and thereupon the principal of the Loans so declared to be due and payable, together with accrued interest thereon and all fees and other obligations of the Borrowers accrued hereunder and under the Loan Documents shall become due and payable immediately, without presentment, demand, protest,

notice of intent to accelerate, notice of acceleration or other notice of any kind, all of which are hereby waived by each Borrower.

(a) In the case of the occurrence of an Event of Default, the Lender will have all other rights and remedies available at law and equity.¹

(b) All proceeds realized from the liquidation or other disposition of Collateral or otherwise received after maturity of the Loans, whether by acceleration or otherwise, shall be applied:

(i) *first*, to payment or reimbursement of fees, expenses and indemnities payable to the Lender;

(ii) *second*, to payment of accrued interest on the Loans;

(iii) *third*, to payment of principal outstanding on the Loans; and

(iv) *fourth*, any excess, after the payment in full of the Secured Obligations, shall be paid to the Borrowers or as otherwise required by any Governmental Requirement.

ARTICLE IX Miscellaneous

Section 9.01 Notices.

(a) Notices Generally. Except in the case of notices and other communications expressly permitted to be given by telephone, all notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by facsimile or email, as follows:

if to the Borrowers, to it at the following:

Hawthorne Land, LLC

Hawthorne Interests, LLC

1210 W. Clay St., Suite 8, Houston, TX 77019

assistant@hawthornecapital.com

if to the Lender, to it at the following:

¹ Adnan – what was the conclusion of our discussion of whether we should add a trustee concept where if the Borrowers are in an Event of Default, then the Lender starts foreclosure as a matter of course. Did we choose to just leave that in PPM only or should it be here? It would be off-market to have a concept of a trustee or a forced foreclosure/liquidation that could not be amended.

Hawthorne Income Fund, LLC

1210 W. Clay St., Suite 8, Houston, TX 77019

operations@hawthornecapital.com

Notices sent by hand or overnight courier service, or mailed by certified or registered mail, shall be deemed to have been given when received; notices sent by facsimile or email shall be deemed to have been given when sent (except that, if not given during normal business hours for the recipient, shall be deemed to have been given at the opening of business on the next business day for the recipient). Notices delivered through electronic communications to the extent provided in Section 9.01(b) below, shall be effective as provided in Section 9.01(b).

(b) Electronic Communications.

(i) Unless the Lender otherwise prescribes, (A) notices and other communications sent to an e-mail address shall be deemed received either upon actual receipt thereof or upon the sender's receipt of an acknowledgement from the intended recipient (such as by the "return receipt requested" function, as available, return e-mail or other written acknowledgement), *provided* that if such notice or other communication is not sent during the normal business hours of the recipient, such notice or communication shall be deemed to have been sent at the opening of business on the next business day for the recipient, and (B) notices or communications posted to an Internet or intranet website shall be deemed received upon the deemed receipt by the intended recipient at its e-mail address as described in the foregoing clause (A) of notification that such notice or communication is available and identifying the website address therefore.

(c) Change of Address, Etc. Any party hereto may change its email address, mailing address or facsimile number for notices and other communications hereunder by notice to the other parties hereto.

Section 9.02 Waivers; Amendments.

(a) No failure on the part of the Lender to exercise and no delay in exercising, and no course of dealing with respect to, any right, power or privilege, or any abandonment or discontinuance of steps to enforce such right, power or privilege, under any of the Loan Documents shall operate as a waiver thereof, nor shall any single or partial exercise of any right, power or privilege under any of the Loan Documents preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The rights and remedies of the Lender hereunder and under the other Loan Documents are cumulative and are not exclusive of any rights or remedies that they would otherwise have.

(b) Neither this Agreement nor any provision hereof may be waived, amended or modified except pursuant to an agreement or agreements in writing entered into by the Borrowers and the Lender.

Section 9.03 Expenses, Indemnity; Damage Waiver.

(a) Costs and Expenses. The Borrowers shall (and are jointly and severally obligated to) pay (i) all reasonable and documented out-of-pocket costs and expenses incurred by the Lender and its Affiliates (including, without limitation, reasonable fees and expenses of counsel thereto and (ii) without duplication of any other provision of this clause (a), all reasonable and documented out-of-pocket costs, expenses, assessments and other charges incurred by any the Lender in connection with any filing, registration, recording or perfection of any security interest contemplated by this Agreement or any Security Instrument or any other document referred to therein.

(b) INDEMNIFICATION BY THE BORROWERS. THE BORROWERS SHALL (AND ARE JOINTLY AND SEVERALLY OBLIGATED TO) (i) INDEMNIFY THE LENDER, AND EACH RELATED PARTY OF ANY OF THE FOREGOING PERSONS (EACH SUCH PERSON BEING CALLED AN “INDEMNITEE”) AGAINST, AND DEFEND AND HOLD EACH INDEMNITEE HARMLESS FROM, ANY AND ALL LOSSES, CLAIMS, DAMAGES, PENALTIES, AND LIABILITIES INCURRED BY ANY INDEMNITEE OR ASSERTED AGAINST ANY INDEMNITEE BY A THIRD PARTY OR BY THE BORROWERS ARISING OUT OF, IN CONNECTION WITH, OR AS A RESULT OF (A) THE EXECUTION OR DELIVERY OF THIS AGREEMENT, ANY OTHER LOAN DOCUMENT OR ANY AGREEMENT OR INSTRUMENT CONTEMPLATED HEREBY OR THEREBY, THE PERFORMANCE BY THE PARTIES HERETO OR THE PARTIES TO ANY OTHER LOAN DOCUMENT OF THEIR RESPECTIVE OBLIGATIONS HEREUNDER OR THEREUNDER, (B) THE FAILURE OF THE BORROWERS TO COMPLY WITH THE TERMS OF ANY LOAN DOCUMENT, INCLUDING THIS AGREEMENT, OR WITH ANY GOVERNMENTAL REQUIREMENT, (C) ANY INACCURACY OF ANY REPRESENTATION OR ANY BREACH OF ANY WARRANTY OR COVENANT OF THE BORROWERS SET FORTH IN ANY OF THE LOAN DOCUMENTS OR ANY INSTRUMENTS, DOCUMENTS OR CERTIFICATIONS DELIVERED IN CONNECTION THEREWITH, (D) ANY LOAN OR THE USE OF THE PROCEEDS THEREFROM, (E) THE PAST, PRESENT AND FUTURE OPERATIONS OF THE BUSINESS OF THE BORROWERS, (F) ANY ASSERTION THAT THE LENDER WAS NOT ENTITLED TO RECEIVE THE PROCEEDS RECEIVED PURSUANT TO THE SECURITY INSTRUMENTS, (G) ANY ENVIRONMENTAL LAW TO THE EXTENT APPLICABLE TO THE BORROWERS OR ANY OF THEIR PROPERTIES OR OPERATIONS, (H) ANY OTHER ENVIRONMENTAL, HEALTH OR SAFETY CONDITION IN CONNECTION WITH THE BORROWERS OR (I) ANY ACTUAL OR PROSPECTIVE CLAIM, LITIGATION, INVESTIGATION OR PROCEEDING RELATING TO ANY OF THE FOREGOING, IN EACH CASE WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY, WHETHER BROUGHT BY A THIRD PARTY OR BY ANY BORROWER, AND REGARDLESS OF WHETHER ANY INDEMNITEE IS A PARTY THERETO, **AND SUCH INDEMNITY SHALL EXTEND TO EACH INDEMNITEE NOTWITHSTANDING THE SOLE OR CONCURRENT NEGLIGENCE OF EVERY KIND OR CHARACTER WHATSOEVER, WHETHER ACTIVE OR PASSIVE, WHETHER AN AFFIRMATIVE ACT OR AN OMISSION, INCLUDING WITHOUT LIMITATION, ALL TYPES OF NEGLIGENT CONDUCT IDENTIFIED IN THE RESTATEMENT (SECOND) OF TORTS OF ONE OR MORE OF THE INDEMNITEES OR BY REASON OF STRICT LIABILITY IMPOSED WITHOUT FAULT ON ANY ONE OR MORE OF THE INDEMNITEES** (PROVIDED, IT IS UNDERSTOOD AND AGREED THAT ALL EXPENSE REIMBURSEMENT OBLIGATIONS

SHALL BE COVERED BY CLAUSE (ii) BELOW) AND (ii) REIMBURSE EACH INDEMNITEE FOR ALL REASONABLE AND DOCUMENTED OUT-OF-POCKET COSTS AND EXPENSES (INCLUDING REASONABLE ATTORNEYS' FEES, EXPENSES AND CHARGES IN CONNECTION WITH ANY OF THE FOREGOING; *PROVIDED* THAT SUCH INDEMNITY SHALL NOT, AS TO ANY INDEMNITEE, BE AVAILABLE TO THE EXTENT THAT SUCH LOSSES, CLAIMS, DAMAGES, PENALTIES, LIABILITIES OR RELATED EXPENSES ARE (x) DETERMINED BY A COURT OF COMPETENT JURISDICTION BY FINAL AND NONAPPEALABLE JUDGMENT TO HAVE RESULTED FROM THE GROSS NEGLIGENCE, BAD FAITH OR WILLFUL MISCONDUCT OF, OR MATERIAL BREACH OF THIS AGREEMENT OR THE OTHER LOAN DOCUMENTS BY, SUCH INDEMNITEE (OR SUCH INDEMNITEE RELATED PARTIES) OR (y) THE RESULT OF ANY DISPUTE SOLELY AMONG THE INDEMNITEES (OR SUCH INDEMNITEE RELATED PARTIES) AND NOT ARISING OUT OF ANY ACT OR OMISSION OF ANY BORROWER. Each Indemnitee shall be obligated to refund and return any and all amounts paid by the Borrower to such Indemnitee for fees, expenses or damages to the extent such Indemnitee is not entitled to payment of such amounts in accordance with the terms of this Section.

(c) Waiver of Consequential Damages, Etc. To the fullest extent permitted by applicable law, no Borrower shall assert, and each Borrower hereby waives, any right it may have to claim or recover in any litigation any special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement, any other Loan Document or any agreement or instrument contemplated hereby or thereby, any Loan or the use of the proceeds thereof; provided that the Borrowers' indemnification obligations hereunder and under the other Loan Documents shall not be limited to the extent such special, indirect, consequential or punitive damages are included in any third party claim in connection with which any Indemnitee is otherwise entitled to indemnification hereunder or under any other Loan Document.

(d) Payments. All amounts due under this Section 9.03 shall be payable within ten (10) days after written demand therefor (which demand shall be accompanied by backup documentation supporting any reimbursement request).

Section 9.04 Successors and Assigns Generally. The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted, except that Borrowers may not assign or otherwise transfer any of their rights or obligations hereunder without the prior written consent of the Lender.

Section 9.05 Counterparts; Integration; Effectiveness; Electronic Execution.

(a) Counterparts. This Agreement may be executed in counterparts (and by different parties hereto on different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract.

(b) Integration. This Agreement and the other Loan Documents constitute the entire contract among the parties relating to the subject matter hereof and thereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof and thereof. THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS

REPRESENT THE FINAL AGREEMENT AMONG THE PARTIES HERETO AND THERETO AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES. THERE ARE NO UNWRITTEN ORAL AGREEMENTS AMONG THE PARTIES.

Section 9.06 Severability. Any provision of this Agreement or any other Loan Document held to be invalid, illegal or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity, illegality or unenforceability without affecting the validity, legality and enforceability of the remaining provisions hereof or thereof; and the invalidity of a particular provision in a particular jurisdiction shall not invalidate such provision in any other jurisdiction.

Section 9.07 GOVERNING LAW; JURISDICTION; CONSENT TO SERVICE OF PROCESS.

(a) THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF TEXAS.

(B) THE PARTIES (A) HEREBY IRREVOCABLY AND UNCONDITIONALLY SUBMIT TO THE JURISDICTION OF THE DISTRICT COURTS OF HARRIS COUNTY, TEXAS FOR THE PURPOSE OF ANY SUIT, ACTION OR OTHER PROCEEDING ARISING OUT OF OR BASED UPON THIS AGREEMENT, (B) AGREE NOT TO COMMENCE ANY SUIT, ACTION OR OTHER PROCEEDING ARISING OUT OF OR BASED UPON THIS AGREEMENT EXCEPT IN THE DISTRICT COURTS OF HARRIS COUNTY, TEXAS, AND (C) HEREBY WAIVE, AND AGREE NOT TO ASSERT, BY WAY OF MOTION, AS A DEFENSE, OR OTHERWISE, IN ANY SUCH SUIT, ACTION OR PROCEEDING, ANY CLAIM THAT IT IS NOT SUBJECT PERSONALLY TO THE JURISDICTION OF THE ABOVE-NAMED COURTS, THAT ITS PROPERTY IS EXEMPT OR IMMUNE FROM ATTACHMENT OR EXECUTION, THAT THE SUIT, ACTION OR PROCEEDING IS BROUGHT IN AN INCONVENIENT FORUM, THAT THE VENUE OF THE SUIT, ACTION OR PROCEEDING IS IMPROPER OR THAT THIS AGREEMENT OR THE SUBJECT MATTER HEREOF MAY NOT BE ENFORCED IN OR BY SUCH COURT. EACH PARTY WILL BEAR ITS OWN COSTS IN RESPECT OF ANY DISPUTES ARISING UNDER THIS AGREEMENT.

(c) EACH PARTY IRREVOCABLY CONSENTS TO THE SERVICE OF PROCESS OF ANY OF THE AFOREMENTIONED COURTS IN ANY SUCH ACTION OR PROCEEDING BY THE MAILING OF COPIES THEREOF BY REGISTERED OR CERTIFIED MAIL, POSTAGE PREPAID, TO IT AT THE ADDRESS SPECIFIED IN SECTION 9.01 OR SUCH OTHER ADDRESS AS IS SPECIFIED PURSUANT TO SECTION 9.01, SUCH SERVICE TO BECOME EFFECTIVE THIRTY (30) DAYS AFTER SUCH MAILING (OR AS SOON THEREAFTER AS IS PROVIDED BY APPLICABLE LAW). NOTHING HEREIN SHALL AFFECT THE RIGHT OF A PARTY OR ANY HOLDER OF A NOTE TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY LAW OR TO COMMENCE LEGAL PROCEEDINGS OR OTHERWISE PROCEED AGAINST ANOTHER PARTY IN ANY OTHER JURISDICTION.

(d) EACH PARTY HEREBY (i) IRREVOCABLY AND UNCONDITIONALLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL ACTION OR PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY) AND FOR ANY COUNTERCLAIM THEREIN; (ii) IRREVOCABLY WAIVES, TO THE MAXIMUM EXTENT NOT PROHIBITED BY LAW, ANY RIGHT IT MAY HAVE TO CLAIM OR RECOVER IN ANY SUCH LITIGATION ANY SPECIAL, EXEMPLARY, PUNITIVE OR CONSEQUENTIAL DAMAGES, OR DAMAGES OTHER THAN, OR IN ADDITION TO, ACTUAL DAMAGES; PROVIDED THAT THE BORROWERS' INDEMNIFICATION OBLIGATIONS HEREUNDER AND UNDER THE OTHER LOAN DOCUMENTS SHALL NOT BE LIMITED TO THE EXTENT SUCH SPECIAL, INDIRECT, CONSEQUENTIAL OR PUNITIVE DAMAGES ARE INCLUDED IN ANY THIRD PARTY CLAIM IN CONNECTION WITH WHICH ANY INDEMNITEE IS OTHERWISE ENTITLED TO INDEMNIFICATION HEREUNDER OR UNDER ANY OTHER LOAN DOCUMENT; (iii) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PERSON HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PERSON WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVERS, AND (iv) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT AND THE LOAN DOCUMENTS, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS CONTAINED IN THIS AGREEMENT.

Section 9.08 Headings. Article and Section headings used herein are for convenience of reference only, are not part of this Agreement and shall not affect the construction of, or be taken into consideration in interpreting, this Agreement.

Section 9.09 Interest Rate Limitation. Notwithstanding anything to the contrary contained in any Loan Document, the interest paid or agreed to be paid under the Loan Documents shall not exceed the maximum rate of non-usurious interest permitted by applicable Law (the "Maximum Rate"). If the Lender shall receive interest in an amount that exceeds the Maximum Rate, the excess interest shall be applied to the principal of the Loans or, if it exceeds such unpaid principal, refunded to the Borrowers. In determining whether the interest contracted for, charged, or received by the Lender exceeds the Maximum Rate, such Person may, to the extent permitted by applicable law, (a) characterize any payment that is not principal as an expense, fee, or premium rather than interest, (b) exclude voluntary prepayments and the effects thereof, and (c) amortize, prorate, allocate, and spread in equal or unequal parts the total amount of interest throughout the contemplated term of the Secured Obligations hereunder.


[SIGNATURES BEGIN NEXT PAGE]

EXECUTION VERSION

The parties hereto have caused this Agreement to be duly executed as of the day and year first above written.


BORROWERS:

HAWTHORNE LAND, LLC



By: Hawthorne Land Manager, LLC, its Manager
Name: Douglas Lee Smith
Title: Manager


HAWTHORNE INTERESTS, LLC



By: Hawthorne Interests Manager, LLC, its
Manager
Name: Douglas Lee Smith
Title: Manager

LENDER:

HAWTHORNE INCOME FUND, LLC



By: Hawthorne Income Fund Manager, LLC, its
Manager
Name: Douglas Lee Smith
Title: Manager

REVOLVING PROMISSORY NOTE

[\$Amount]
[Date]

Houston, Texas

FOR VALUE RECEIVED, Hawthorne Land, LLC (“Hawthorne Land”), a Texas limited liability company and Hawthorne Interests, LLC (“Hawthorne Interests”), a Texas limited liability company (each of Hawthorne Land and Hawthorne Interests, a “Borrower” and collectively the “Borrowers”) promises to pay Hawthorne Income Fund, LLC, a Delaware limited liability company (“Payee”) or its assigns, on or before **[Maturity Date]**, the unpaid principal amount of all advances made by Payee to the Borrowers as Loans under the Credit Agreement referred to below.

The Borrowers also promise to pay interest on the unpaid principal amount hereof, from the date hereof until paid in full, at the rates and at the times which shall be determined in accordance with the provisions of that certain Credit Agreement, dated as of **[date]** (as it may be amended, supplemented or otherwise modified, the “Credit Agreement”; the terms defined therein and not otherwise defined herein being used herein as therein defined).

This Note is one of the “Notes” in the aggregate principal amount of **[\$amount]** and is issued pursuant to and entitled to the benefits of the Credit Agreement, to which reference is hereby made for a more complete statement of the terms and conditions under which the Loans evidenced hereby were made and are to be repaid.

All payments of principal and interest in respect of this Note shall be made in lawful money of the United States of America in same day funds at the Principal Office of Administrative Agent or at such other place as shall be designated in writing for such purpose in accordance with the terms of the Credit Agreement. Payee hereby agrees, by its acceptance hereof, that before disposing of this Note or any part hereof it will make a notation hereon of all principal payments previously made hereunder and of the date to which interest hereon has been paid; provided, the failure to make a notation of any payment made on this Note shall not limit or otherwise affect the obligations of the Borrowers hereunder with respect to payments of principal or interest on this Note.

This Note is subject to mandatory prepayment and to prepayment at the option of Borrowers, each as provided in the Credit Agreement.

THIS NOTE AND THE RIGHTS AND OBLIGATIONS OF THE BORROWERS AND PAYEE HEREUNDER SHALL BE GOVERNED BY, AND SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF TEXAS WITHOUT REGARD TO CONFLICT OF LAWS PRINCIPLES THEREOF THAT WOULD RESULT IN THE APPLICATION OF ANY LAW OTHER THAN THE LAW OF THE STATE OF TEXAS.

Upon the occurrence of an Event of Default, the unpaid balance of the principal amount of this Note, together with all accrued and unpaid interest thereon, may become, or may be

declared to be, due and payable in the manner, upon the conditions and with the effect provided in the Credit Agreement.

The terms of this Note are subject to amendment only in the manner provided in the Credit Agreement.

No reference herein to the Credit Agreement and no provision of this Note or the Credit Agreement shall alter or impair the obligations of the Borrowers, which are absolute and unconditional, to pay the principal of and interest on this Note at the place, at the respective times, and in the currency herein prescribed.

The Borrowers promise to pay all costs and expenses, including reasonable attorneys' fees, all as provided in the Credit Agreement, incurred in the collection and enforcement of this Note. The Borrowers and any endorsers of this Note hereby consent to renewals and extensions of time at or after the maturity hereof, without notice, and hereby waive diligence, presentment, protest, demand notice of every kind and, to the full extent permitted by law, the right to plead any statute of limitations as a defense to any demand hereunder.

IN WITNESS WHEREOF, Borrowers have caused this Note to be duly executed and delivered by its officer thereunto duly authorized as of the date and at the place first written above.

HAWTHORNE LAND, LLC

By: Hawthorne Land Manager, LLC, its Manager
Name: Douglas Lee Smith
Title: Manager

HAWTHORNE INTERESTS, LLC

By: _____
By: Hawthorne Interests Manager, LLC, its
Manager
Name: Douglas Lee Smith
Title: Manager

BORROWING NOTICE**[DATE]**

Reference is made to the Credit Agreement, dated as of **[date]** (as it may be amended, supplemented or otherwise modified, the “Credit Agreement”; the terms defined therein and not otherwise defined herein being used herein as therein defined), by and among Hawthorne Land, LLC (“Hawthorne Land”), a Texas limited liability company and Hawthorne Interests, LLC (“Hawthorne Interests”), a Texas limited liability company (each of Hawthorne Land and Hawthorne Interests, a “Borrower” and collectively the “Borrowers”) and Hawthorne Income Fund, LLC, a Delaware limited liability company (the “Lender”).

Pursuant to Section 2.03 of the Credit Agreement, the Borrowers desire that the Lender make the following Loan to the Borrowers in accordance with the applicable terms and conditions of the Credit Agreement on **[date]** (the “Credit Date”):

Amount of Loan:	[Amount]
Type of Loan:	Land Loan/Pledged Note Loan
Does the Borrowing Hereunder Cause the Current Principal Amount of All Loans Outstanding to exceed the Total Commitments:	[Yes/No]
Maturity Date of the Loan Being Requested:	[Date]
Maximum Availability with Respect to Such Loan:	[Amount]. [See Schedule 1 for relevant calculations].

The Borrowers hereby certify that the representations and warranties of each Borrower set forth in this Credit Agreement and in the other Loan Documents are true and correct in all material respects on and as of the date hereof, except (i) to the extent any such representations and warranties are expressly limited to an earlier date, in which case, on and as of the date hereof, such representations and warranties shall continue to be true and correct in all material respects as of such specified earlier date and (ii) to the extent that any representation or warranty that is qualified by “material” or “Material Adverse Effect” references therein, such representation or warranty shall be true and correct in all respects on and as of the date hereof.

The account of the Borrower, the title agency, title company, fee attorney office or other relevant counterparty to which the proceeds are to be wired, deposited or transferred into:

Bank Name: _____
 Bank Address: _____
 ABA Number: _____

Account Number: _____
Attention: _____
Reference: _____

Date: **[date]**

HAWTHORNE LAND, LLC

By: Hawthorne Land Manager, LLC, its Manager
Name: Douglas Lee Smith
Title: Manager

HAWTHORNE INTERESTS, LLC

By: _____
By: Hawthorne Interests Manager, LLC, its
Manager
Name: Douglas Lee Smith
Title: Manager

Schedule 1

Land Loan Availability Calculations	[Description of Project]
(A) Projected After Improved Value of the relevant Property subject to a Mortgage	[Amount]
(B) 65% of Projected After Improved Value of the relevant Property subject to a Mortgage	[Amount]
(C) Total Purchase Price of Such Property	[Amount]
(D) Property Related Expenses related to such Property	[Amount]
(E) Sum of (C) and (D)	[Amount]
Land Loan Availability: Lesser of (B) and (E)	[Amount]

Pledged Note Loan Availability Calculations	[Description of Project]
(A) Unpaid principal balance of the relevant Owner Financed Loan subject to a Mortgage	[Amount]
(B) Principal amount such that the interest and principal payment due on such Loan to the Lender (based on an amortization schedule that matches the remaining term of the Relevant Pledged Note) on a monthly basis is 10% less than the amount of scheduled interest and principal that the Borrowers expect to receive from the borrower under the Relevant Pledged Note on a monthly basis	[Amount]
Pledged Note Loan Availability: Lesser of (A) and (B)	[Amount]

CERTIFICATE

April 23, 2021

1. I, Douglas Lee Smith, am the Manager of Hawthorne Land Manager, LLC, a Texas limited liability company ("Hawthorne Land Manager") which is the manager of Hawthorne Land, LLC, a Texas limited liability company ("Hawthorne Land").

2. I am the Manager of Hawthorne Interests Manager, LLC, a Texas limited liability company ("Hawthorne Interests Manager") which is the manager of Hawthorne Interests, LLC, a Texas limited liability company ("Hawthorne Interests"), (each of Hawthorne Land and Hawthorne Interests, a "Borrower" and collectively the "Borrowers").

2. I have reviewed the terms of Article IV of the Credit Agreement, dated as of the date hereof (as it may be amended, supplemented or otherwise modified, the "Credit Agreement"; the terms defined therein and not otherwise defined herein being used herein as therein defined), by and among the Borrowers and Hawthorne Income Fund, LLC, a Delaware limited liability company, as the lender ("Lender").

3. On behalf of the Borrowers, I hereby certify that the representations and warranties of each Borrower set forth in the Credit Agreement and in the other Loan Documents are true and correct in all material respects on and as of the date hereof, except (i) to the extent any such representations and warranties are expressly limited to an earlier date, in which case, on and as of the date hereof, such representations and warranties shall continue to be true and correct in all material respects as of such specified earlier date and (ii) to the extent that any representation or warranty that is qualified by "material" or "Material Adverse Effect" references therein, such representation or warranty shall be true and correct in all respects on and as of the date hereof.

4. Attached are (a) a written consent of Hawthorne Land Manager, LLC, as the manager of Hawthorne Land and (b) a written consent of Hawthorne Interests Manager, LLC, as the manager of Hawthorne Interests, in each case authorizing each such Borrower to execute and deliver the Loan Documents to which it is a party and perform its obligations thereunder.

The foregoing certifications are made and delivered as of the date first written above.

HAWTHORNE LAND, LLC

[Handwritten signature]

By: Hawthorne Land Manager, LLC, its Manager
Name: Douglas Lee Smith
Title: Manager

HAWTHORNE INTERESTS, LLC

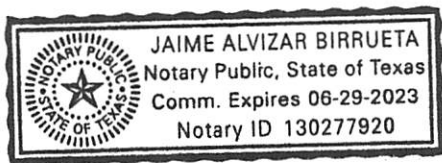
[Handwritten signature]

By: Hawthorne Interests Manager, LLC, its
Manager
Name: Douglas Lee Smith
Title: Manager

STATE OF TEXAS)
COUNTY OF TARRANT)

Before me, JAIME ALVIZAR B.; a notary public, on this day personally appeared Douglas Lee Smith, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he/she executed the same for the purposes and consideration therein expressed.

Given under my hand and seal of office this 23RD day of APRIL, 2021.



(personalized seal)

[Handwritten signature]

Notary Public in and for the
State of TEXAS

WRITTEN CONSENT OF
HAWTHORNE LAND MANAGER, LLC

April 23, 2021

WHEREAS, Hawthorne Land Manager, LLC is the manager ("Manager") of Hawthorne Land, LLC (the "Company");

WHEREAS, the Company desires to enter into the Credit Agreement dated as of the date hereof (as it may be amended, supplemented or otherwise modified, the "Credit Agreement"; the terms defined therein and not otherwise defined herein being used herein as therein defined) by and among the Company, Hawthorne Interests, LLC and Hawthorne Income Fund, LLC, a Delaware limited liability company, as the lender (the "Lender") and the associated Loan Documents; and

WHEREAS, the Company will borrow Loans and will incur certain obligations pursuant to the Credit Agreement and the Loan Documents.


The Manager hereby resolves it is necessary and desirable for the Company to enter into the Credit Agreement and the Loan Documents;

RESOLVED FURTHER, that Douglas Lee Smith, the manager of the Manager is authorized to execute and deliver, on behalf of and in the name of the Company, the Credit Agreement, the associated Loan Documents and any other agreements, documents, or instruments, and to take or cause to be taken any action necessary or appropriate in connection with the Credit Agreement or the associated Loan Documents or to accomplish the purposes of these resolutions, in the form and with the provisions the manager of the Manager may deem proper; and

RESOLVED FURTHER, that the Manager confirms and ratifies all actions previously taken by the manager of the Manager in connection with the Credit Agreement and the associated Loan Documents.

The undersigned has caused this written consent to be duly executed as of the day and year first above written.

HAWTHORNE LAND MANAGER, LLC

By: 
Name: Douglas Lee Smith
Title: Manager

WRITTEN CONSENT OF
HAWTHORNE INTERESTS MANAGER, LLC

April 23, 2021

WHEREAS, Hawthorne Interests Manager, LLC is the manager ("Manager") of Hawthorne Interests, LLC (the "Company");

WHEREAS, the Company desires to enter into the Credit Agreement dated as of the date hereof (as it may be amended, supplemented or otherwise modified, the "Credit Agreement"; the terms defined therein and not otherwise defined herein being used herein as therein defined) by and among the Company, Hawthorne Land, LLC and Hawthorne Income Fund, LLC, a Delaware limited liability company, as the lender (the "Lender") and the associated Loan Documents; and

WHEREAS, the Company will borrow Loans and will incur certain obligations pursuant to the Credit Agreement and the Loan Documents.


The Manager hereby resolves it is necessary and desirable for the Company to enter into the Credit Agreement and the Loan Documents;

RESOLVED FURTHER, that Douglas Lee Smith, the manager of the Manager is authorized to execute and deliver, on behalf of and in the name of the Company, the Credit Agreement, the associated Loan Documents and any other agreements, documents, or instruments, and to take or cause to be taken any action necessary or appropriate in connection with the Credit Agreement or the associated Loan Documents or to accomplish the purposes of these resolutions, in the form and with the provisions the manager of the Manager may deem proper; and

RESOLVED FURTHER, that the Manager confirms and ratifies all actions previously taken by the manager of the Manager in connection with the Credit Agreement and the associated Loan Documents.

The undersigned has caused this written consent to be duly executed as of the day and year first above written.

HAWTHORNE INTERESTS MANAGER, LLC

By: 
Name: Douglas Lee Smith
Title: Manager

KEEP WELL AGREEMENT

This **KEEP WELL AGREEMENT** (this “**Agreement**”), dated as of April 23, 2021, is entered into by Douglas Lee Smith, an individual residing in the state of Texas (“**Smith**”), Hawthorne Land, LLC, a Texas limited liability company (“**Hawthorne Land**”) and Hawthorne Interests, LLC, a Texas limited liability company (“**Hawthorne Interests**” and together with Hawthorne Land, the “**Borrowers**”).

WHEREAS, Hawthorne Income Fund, LLC, a Delaware limited liability company (the “**Fund**”) is a private investment fund that will be in the business of making loans (the “**Loans**”) to affiliates of Smith, including to the Borrowers;

WHEREAS, Smith desires to ensure that the Borrowers are financially able to pay the principal, interest and other fees and expenses incurred under such Loans.

NOW THEREFORE, in consideration of the foregoing, and for other good and valuable consideration, the receipt of which is hereby acknowledged, and intending to be legally bound hereby, the parties hereto hereby agree as follows:

1. Agreement to Keep Well. Smith shall take all actions reasonably necessary to ensure that the Borrowers shall have sufficient available funds to pay and discharge, when due and payable, the Loans.

2. Successors. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

3. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Texas, without regard to its provisions concerning choice of law or choice of forum.

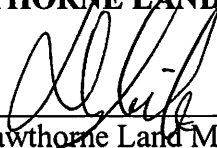
4. Amendment. No provision of this Agreement may be amended, supplemented or modified, nor may any of the terms and conditions hereof be waived, except by a written instrument executed by the parties.

5. Not a Guaranty. This Agreement is not, and nothing contained herein and nothing done pursuant hereto by Smith shall be deemed to constitute, a guaranty by Smith of the payment of any obligation, indebtedness or liability of any kind or character whatsoever of the Borrowers or the Company.

6. Counterparts. This Agreement may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute one and the same agreement, and all signatures need not appear on any one counterpart. Copies of all such counterparts may be delivered by the parties by facsimile or other electronic transmission, which copies shall be valid and binding for all purposes.

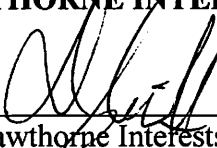
IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and delivered as of the date first above written.

HAWTHORNE LAND, LLC

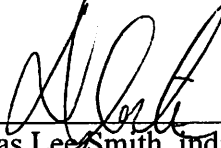


By: Hawthorne Land Manager, LLC, its
Manager
Name: Douglas Lee Smith
Title: Manager

HAWTHORNE INTERESTS, LLC



By: Hawthorne Interests Manager, LLC, its
Manager
Name: Douglas Lee Smith
Title: Manager



Douglas Lee Smith, individual