

**VESTING TITLE IN
LIMITED LIABILITY COMPANIES**

Vesting Title in a Limited Liability Company

For this product, the loan is to the natural person borrower (using a social security number – see B below). The entity is taking title only:

- A. Execution of closing documents:
 1. The Note, related Addendums and all remaining loan documents, including all disclosures, are executed by the natural person borrower(s), **individually**.
 2. The Mortgage/Deed of Trust and related Riders are executed by the LLC;
 3. An Accommodation Rider is recorded with the Mortgage and executed by the LLC;
- B. At least one natural person member of the LLC owning a membership interest of at least ten (10%), must be a borrower and must be qualified and approved for the loan in his/her individual capacity using his/her social security number. 5th Street Capital only makes loans to natural persons, therefore, the Note must be in the name of an individual and all interest statements, payment coupons, etc. must be issued in the individual's name.
- C. 5th Street Capital charges a flat \$250.00 fee for its review of all documents. If further review is required, 5th Street Capital will, upon Broker's approval, forward documents to 5th Street Capital's counsel for further review and opinion. 5th Street Capital retains the right to invoice Broker for any fees or costs, both third party and internal, related to the review of all loans.
- D. A Certificate of Good Standing is required for every LLC, regardless of whether the LLC was recently formed. This document must be requested and issued from the state in which the LLC is organized. A website printout is not accepted in lieu thereof.
- E. Once collected, all documents should be imaged to the file for review.

Attachments:

1. Document requirement outline.
2. Opinion Letter. The opinion letter must be from the LLC's legal counsel and addressed to 5th Street Capital, its successors and assigns.
3. Resolution of Unanimous Consent. The consent must be signed by all partners of the LLC.
4. Accommodation Rider.

Limited Liability Company Document Requirement Outline

For approval, Broker should provide the following documentation to 5th Street Capital for review:

1. An opinion letter from the LLC's legal counsel. The opinion shall be addressed directly to 5th Street Capital and its successors and assigns. (Sample Attached)
2. Filed Articles of Organization/Certificate of Formation, including all amendments (or equivalent document required by the state to register a LLC).
3. Certificate of Good Standing (or equivalent document) issued from the state in which the LLC is organized. The certificate cannot be dated more than 60 days prior to closing. A website printout is not accepted in lieu thereof.
4. Signed Operating Agreement, including all amendments, attachments and schedules, if any. The Operating Agreement must provide the term of the LLC and have a stated purpose that will allow ownership of property, the right to borrow and the right to mortgage property.
5. Resolution of Unanimous Consent of the Member(s) of the LLC. The resolution must specifically identify the property, approve the mortgaging of said property and the execution of documents to effect said mortgage. The resolution must also designate a member who shall execute all documents on behalf of the LLC and include a witnessed incumbency signature section (designated member provides sample of his/her signature). (Sample Attached)
6. A complete Member List showing all current Members and their respective ownership interests.
7. Such other documents or certificates as reasonably requested by 5th Street Capital or required under state law.

If the property is located in a state other than the state in which the LLC is organized, the following documents issued from the state in which the property is located shall also be provided:

8. A filed Certificate of Authority (or equivalent document) showing the LLC is properly registered in that state.
9. A Certificate of Good Standing (or equivalent document) dated within 60 days of the loan closing.

If the LLC's ownership includes a non-natural person, documents concerning that entity may also be required to be submitted for review.

The LLC will sign the Mortgage/Deed of Trust and related Riders and will be required to sign an Accommodation Rider. The Note, related Addendums, and all other closing documents, including all disclosures, will be signed by the qualifying borrower(s) in their individual names.

5th Street Capital's approval of any entity loan will be valid for six (6) months from issuance. All supporting opinion letters, certificates and resolutions must be dated no more than sixty (60) days prior to closing. For supporting documents dated more than sixty (60) days prior to closing, 5th Street Capital may, at its discretion, require a more current version, and/or a certification from a managing member that no changes have occurred since the document's original date.

Limited Liability Company Attorney Opinion Letter

For each loan in which title will be vested in a Limited Liability Company, the Broker shall provide to 5th Street Capital an opinion of counsel from the LLC's attorney. The opinion letter shall be addressed to 5th Street Capital, and its successors and assigns, and which shall be in satisfactory form and substance to 5th Street Capital and its counsel, as follows:

Re: [name of entity] ("Mortgagor")

Mortgagor (a) is a limited liability company, duly organized, validly existing under the laws of the State of _____ and in any other jurisdiction where the Mortgaged Property is located; and (b) has all requisite power and authority and all governmental certificates of authority, licenses, permits and qualifications to own, lease and operate its properties and carry on its business as now being conducted in the State of _____ and in any other jurisdiction where the Mortgaged Property is located. The persons acting on behalf of the Mortgagor have been duly authorized to bind the Mortgagor to the Mortgage.

The execution and delivery of the Mortgage and the performance by the Mortgagor of its obligations thereunder (a) are within its limited liability company powers; (b) have been duly authorized by all requisite partnership action; (c) will not violate, be in conflict with, result in the breach of, or constitute (with due notice or lapse of time, or both) a default under any statute, regulation, rule order or other legal requirements applicable to it, nor to our knowledge, any agreement to which the Mortgagor is bound.

**Resolutions of Unanimous Consent
And Incumbency Certificate of the Members of
_____, LLC**

The undersigned, being all of the Members of _____,
a _____ [state] Limited Liability Company (hereafter "Company"), acting by
unanimous written consent and pursuant to the Certificate of Organization and Operating
Agreement, do hereby consent to and adopt the following resolutions;

BE IT RESOLVED: that the Company acknowledges that _____ [name
of individual borrower(s)] is obtaining a loan from _____ ("Lender") in the
principal amount of \$ _____ (the "Loan"). As security for the Loan, the
Company is hereby authorized to execute a first deed of trust or mortgage on the property
commonly known as: [property address] _____;

BE IT RESOLVED: that the Company shall, and does hereby appoint
_____ [name and title of person to sign documents] to execute and deliver on
behalf of the Company a Mortgage, Security Agreement, and any and all other documents,
instruments, certificates, consents, affidavits or other documents required or appropriate to
effectuate the transaction contemplated by said loan; and is otherwise empowered to take such
actions as may be necessary to carry out the intents and purposes of the foregoing resolution.

BE IT RESOLVED: that the following is a sample of _____ 's, signature
as witnessed by the below: _____.

The Resolution and Incumbency Certificate is made and entered into this _____ day of
_____, 20__.

Name of Entity:

By: _____
Printed Name: _____
Title: _____

Name of Entity:

By: _____
Printed Name: _____
Title: _____

Name of Entity:

By: _____
Printed Name: _____
Title: _____

Name of Entity:

By: _____
Printed Name: _____
Title: _____

Accommodation Rider

Loan Number _____

THIS ACCOMMODATION RIDER is made this _____ day of _____, 20____ and is incorporated into and shall be deemed to amend and supplement the Mortgage, Deed of Trust or Security Deed (the "Security Instrument") of the same date given by the undersigned (the "Mortgagor") to secure Borrower's Promissory Note (the "Note") to **FIFTH STREET CAPITAL** (the "Lender") of the same date and covering the property described in the Security Instrument and located at: _____ [property address]

Mortgagor acknowledges it is a _____ [Trust/LLC/Partnership/Corporation] and any reference in the Mortgage, Deed of Trust or Security Deed to an individual or borrower shall mean said _____ [Trust/LLC/Partnership/Corporation].

ADDITIONAL COVENANTS: In addition to the covenants and agreements made in the Security Instrument, Mortgagor and Lender further covenant and agree as follows:

In exchanged for valuable and sufficient consideration, Mortgagor is executing the Security Instrument and this Accommodation Rider to secure the above described Note. The Undersigned Mortgagor, without affecting Lender's rights hereunder or the lien hereof, waives any right of noticed or demand in the event Lender, pursuant to the Note and this Security Instrument and any amendments thereto, (a) renews, extends, accelerates or otherwise changes the terms of the indebtedness or any part thereof, including increases or decreases of the rate of interest thereon; (b) takes and holds additional security for the payment of the indebtedness guaranteed, and exchanges, enforces, waives and releases any security; (c) applies such security and directs the order or manner of sale thereof as Lender in its discretion may determine; and (d) releases or substitutes any one or more endorsers or guarantors. Lender may without notice assign this Security Instrument in whole or in part.

ACCOMMODATION: The Security Instrument secures a Promissory Note executed by: _____ [Name of individual borrower(s)] collectively, ("Borrower") in favor of the Lender there under. Mortgagor is executing this Accommodation Rider as an accommodation to Borrower and thereafter agrees as follows:

Mortgagor waives any right to require Lender to (a) proceed against Borrower; (b) proceed against or exhaust any security held from Borrower; or (c) pursue any other remedy in Lender's power whatsoever. Lender may, at its election, foreclose upon any such security by judicial or non-judicial sale, without affecting or impairing in any way the liability of Mortgagor hereunder except to the extent the indebtedness has been paid, and Mortgagor waives any defense arising out of the absence, impairment or loss of any right or remedy of Mortgagor against Borrower, or any such security, whether resulting from such election by Lender or otherwise. Mortgagor

waives any defense arising by reason of the cessation from any cause whatsoever of the liability of Borrower. Until all indebtedness of Borrower to Lender shall have been paid in full, even though such indebtedness is in excess of Mortgagor's liability hereunder, Mortgagor shall have no right of subrogation, and waives any right to enforce and remedy which Lender now has or may hereafter have against Borrower and waives any benefit of, and any right to participate in any security now or hereafter held by Lender. Mortgagor waives all presentments, demands for performance, notices of nonperformance, protests, notices of protest, notices of dishonor, and notices of acceptance of the Security Instrument and of the existence, creation or incurring of new or additional indebtedness. Mortgagor assumes the responsibility for being and keeping himself informed of the financial condition of Borrower and of all other circumstances bearing upon the risk of nonpayment of the indebtedness which diligent inquiry would reveal, and agree that absent a request for such information by Mortgagor, Lender shall have no duty to advise Mortgagor of information know to it regarding such condition or any such circumstances.

BY SIGNING BELOW, Mortgagor accepts and agrees to the terms and covenants contained in this Accommodation Rider.

MORTGAGOR: _____

By:
Its:

By:
Its: