

ITEM 1. COVER PAGE

Adviser Brochure
(Form ADV Part 2A)

Greystone Bridge Lending Fund Manager LLC

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This brochure provides information about the qualifications and business practices of Greystone Bridge Lending Fund Manager LLC (“Greystone Adviser”). If you have any questions about the contents of this brochure, please contact us at (212) 649-9700 or e-mail us at Jeffrey.Baevsky@greyco.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Greystone Adviser is a registered investment adviser. Registration of an Investment Adviser does not imply any level of skill or training.

Additional information about Greystone Adviser is available on the Securities and Exchange Commission’s website at www.adviserinfo.sec.gov.

March 27, 2024

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ITEM 2. MATERIAL CHANGES MADE TO THIS BROCHURE

Since the last version of this Brochure was filed with the SEC on March 28, 2023, this Brochure has been comprehensively reorganized and rewritten in an effort to achieve greater clarity and enhanced disclosure regarding the nature of the Greystone Adviser's business and the various risks of loss and potential conflicts of interest that investing in one of Greystone Adviser's funds and other clients entails. In particular:

- Item 4 has been rewritten to provide a more concise and organized description of Greystone Adviser's current business.
- Item 5 has been rewritten to provide more comprehensive disclosure of the fees and other compensation Greystone Adviser and its affiliates receive in connection with the clients, and of the other expenses that clients pay in connection with their operations.
- Item 6 has been redrafted to provide enhanced disclosure regarding the potential conflicts of interest that Greystone Adviser has in connection with managing clients that pay Greystone Adviser a "carried interest" based on the performance of a client's investment portfolio.
- The "Risk of Loss" section in Item 8 has been comprehensively redrafted to provide more detailed disclosure relating to the risks that investors are exposed to when investing in the types of commercial real estate bridge loans that Greystone Adviser focuses on, as well as other risks associated with the types of pooled investment vehicles that Greystone Adviser uses.
- Item 10 has been comprehensively redrafted to provide enhanced disclosure of Greystone Adviser's affiliations with other financial service and real estate service providers and the potential conflicts of interest that arise from such affiliations.
- Item 12 has been redrafted to provide more comprehensive disclosure relating to the manner in which Greystone Adviser allocates investment opportunities amongst its various clients.

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ITEM 4. ADVISORY BUSINESS

Greystone Bridge Lending Fund Manager LLC ("Greystone Adviser") is a Delaware limited liability company that was formed in 2016. Greystone Adviser is a part of a family of affiliated companies collectively referred to as "Greystone". Greystone is a vertically integrated commercial real estate finance company that focuses on lending primarily to multifamily, seniors housing, and healthcare properties. Greystone's principal owner is Stephen Rosenberg, the founder and Executive Chairman of Greystone.

Greystone provides a comprehensive set of services in connection with the group's commercial real estate lending activities, including the origination and initial financing of real estate loans, the ongoing administration and servicing of such loans, and the sale of such loans to various U.S. government sponsored entities (such as Fannie Mae and Freddie Mac), federal agencies (such as the FHA), or other institutional investors. As a part of Greystone, Greystone Adviser focuses on investing in short-term first lien mortgage bridge loans collateralized by multifamily, senior housing and healthcare properties, which are underwritten with the expectation that such loans will ultimately be re-financed through U.S. government sponsored entities, federal agencies or other institutional investors.

In 2021, affiliates of Greystone Adviser and MONTICELLOAM, LLC ("Monticello") formed a joint venture entity named Greystone Monticello LLC ("Greystone/Monticello"). Monticello is a registered investment adviser (SEC Number 801-106754) that focuses on, among other things, originating, investing in and servicing first lien mortgage loans relating to healthcare industry properties. Most, if not all, of the bridge loans in which Greystone Adviser's clients invest are originated and serviced by either Greystone or Monticello affiliates, including Greystone/Monticello. See "*Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss*" and "*Item 10 – Other Financial Industry Activities and Affiliations*" for additional information.

Greystone Adviser's clients include several real estate debt funds that are co-managed together by Greystone Adviser and Monticello, including an open-end fund that focuses on investments in real estate bridge loans (the "Greystone Senior Debt Fund") and certain other, typically single asset, closed-end, real estate debt funds sponsored by Greystone/Monticello (the "Greystone/Monticello Funds," and, together with the Greystone Senior Debt Fund, the "Funds"). In addition, Greystone Adviser serves as the collateral manager for a series of collateralized loan obligations (the "CLOs") sponsored by Greystone Senior Debt Operating Partnership LP ("Fund OP"), a subsidiary of the Greystone Senior Debt Fund. The CLOs purchase loan pools from an affiliate of the Fund OP. The CLOs' issuers are SPE entities within the Fund OP, each created for the specific CLO issuance, and the Fund OP will typically retain ownership of the equity interest in each CLO entity. The Funds and the CLOs are collectively referred herein as the "Clients."

As the investment adviser to each Client, Greystone Adviser invests each Client's assets pursuant to an investment advisory agreement that such Client has entered into with Greystone Adviser, and in accordance with such Client's limited partnership agreement and/or other governing documents, as the same may be amended from time to time (the "Governing Documents"). Greystone Adviser tailors its investment advisory activities to comply with the investment objectives, guidelines and restrictions set forth in each Client's Governing Documents. Greystone Adviser does not tailor its investment advisory activities for any particular investors in the Clients. However, in accordance with common industry practice, a Client may from time to time enter into a "side letter" or similar agreement with an investor pursuant to which the such investor is granted specific rights, benefits or privileges that are not generally made available to all investors. See "*Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss*" below for more details.

As of December 31, 2023, Greystone Adviser had total regulatory assets under management of \$4,113,795,284, all of which were managed on a discretionary basis.

ITEM 5. FEES & COMPENSATION

Greystone Senior Debt Fund

Fund Management Fees, Carried Interest and Other Fees. The Greystone Senior Debt Fund pays Greystone Adviser and Monticello (together, the "Fund Investment Managers") a management fee (the "Fund Management Fee")

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calculated and payable quarterly in arrears as of the last business day of each fiscal quarter. If applicable, the Fund Management Fee will be pro-rated for any partial periods based on the number of days elapsed in such period and calculated on the basis of a fiscal quarter of three 30-day months.

The Fund Management Fee is equal to the sum of the amounts calculated with respect to each investor in the Fund as of the applicable quarter end by multiplying 25% by the product of (i) the applicable Per Annum Investment Management Fee Rate (as defined below) for such investor, and (ii) the amount of the Fund's NAV (as defined below) attributable to such investor's interest in the Fund. The Fund Management Fee will be payable based on the Fund NAV prior to giving effect to the accrual for the Fund Management Fee but after any reduction in Fund NAV arising from accrued distributions. For purposes of this calculation:

- The "Per Annum Investment Management Fee Rate" applicable to each investor in the Greystone Senior Debt Fund is an annualized percentage rate applicable to each individual investor in the Fund, which rate decreases as the size of the investor's interest in the Fund exceeds certain specified "breakpoints," as set forth in the Greystone Senior Debt Fund's Governing Documents.
- As of any measurement date, the "Fund NAV" is equal to (a) the Greystone Senior Debt Fund's allocable share of the aggregate fair value of any investments and other assets held by the Greystone Senior Debt Fund and its subsidiaries, plus (b) the Greystone Senior Debt Fund's allocable share of any unamortized Organizational Expenses (as defined below), and minus (c) the Greystone Senior Debt Fund's allocable share of the fair value of all indebtedness and other liabilities of the Greystone Senior Debt Fund and its subsidiaries (including any accrued and unpaid Fund Management Fees or other accrued and unpaid distributions).

The aggregate Fund Management Fee payable by the Greystone Senior Debt Fund for any quarterly period will be reduced by an amount equal to 100% of any net Special Fees (as defined below) received by the Greystone Senior Debt Fund's general partner (the "Greystone General Partner"), Greystone, Monticello or any of their affiliates, and allocable to the Greystone Senior Debt Fund in the reasonable determination of the Greystone General Partner during the prior quarterly period. "Special Fees" are consulting fees, investment banking fees, advisory fees, breakup fees, directors' fees, closing fees, transaction fees, financing fees, monitoring fees, loan exit fees, loan extension fees and similar fees, whether in cash or in kind, including options, warrants and other non-cash consideration, paid to the Greystone, Monticello or any of their affiliates in connection with actual or contemplated investments by the Greystone Senior Debt Fund. Special Fees do not include the Fund Management Fee, the Other Fees (as defined below) or any other fee that is not a Special Fee paid to Greystone, Monticello or any of their affiliates by the Greystone Senior Debt Fund.

The Greystone General Partner is also entitled to receive a priority incentive allocation (or "Carried Interest") equal to a specified percentage of the Greystone Senior Debt Fund's annual appreciation in excess of a specified preferred return. Carried Interest distributions are subject to a "high water mark" adjustment, such that any annualized losses in previous years must be made up before the Greystone General Partner will be entitled to receive a Carried Interest. Such Carried Interest distributions represent a portion of the Greystone Senior Debt Fund's net investment profits.

The Greystone General Partner may, in its sole discretion, waive, reduce or modify the Fund Management Fee and/or Carried Interest payable with respect to any investor in the Greystone Senior Debt Fund (but without any concurrent increase in any other Greystone Senior Debt Fund investor's share of such management fees).

In addition to Fund Management Fee and Carried Interest distributions described above, Greystone, Monticello or their affiliates will be paid certain other fees ("Other Fees") as follows:

- The "Servicing Fee" is payable monthly in arrears to Greystone Servicing Company LLC or other Greystone or Monticello affiliates (the "Servicers") who will provide loan administration services for an annual servicing fee equal to a specified percentage of the total principal balance of the loans and/or other assets held by the Greystone Senior Debt Fund. The Servicing Fee will be paid pursuant to one or more customary servicing agreements which will include the ability of the Servicers to provide protective advances (including, for the

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avoidance of doubt, with respect to payments of insurance premiums and property taxes). Any such advances will be repaid as a priority, including interest, to the Servicers by the Greystone Senior Debt Fund.

- “Origination Fees” are fees charged to the underlying loan borrowers in connection with the origination of a loan. Greystone, Monticello or their affiliates will retain a portion of the Origination Fees allocable to the interest of the investors in the Greystone Senior Debt Fund. The portion not retained by Greystone, Monticello or their affiliates will be paid to the Greystone Senior Debt Fund or treated as a credit towards the purchase price of such underlying loan or loans by the Greystone Senior Debt Fund.
- “CLO Fees” are collateral management fees equal to a percentage of the CLO portfolio balance, and/or advancing agent fees of a percentage of the principal amount of the CLO bonds paid to Greystone Adviser, Greystone or its affiliates from the equity tranche of the CLO pursuant to the terms of any collateralized loan obligations, collateralized debt obligations or other similar structured financings entered into in connection with any investment. The equity tranche will typically be retained by the Greystone Senior Debt Fund.
- “Arranging Fees” are fees equal to a percentage of the principal amount of financing payable to Greystone, Monticello or their affiliates with respect to arranging financing for or on behalf of the Greystone Senior Debt Fund in connection with the investment activities of the Greystone Senior Debt Fund, where the Greystone Senior Debt Fund’s customary financing arrangements are not otherwise able to be utilized.

For the avoidance of doubt, the Fund Management Fee will not be offset by any of the Other Fees received by Greystone, Monticello or their affiliates, so these fees will be indirectly borne by Greystone Senior Debt Fund investors in addition to the Fund Management Fees received by Greystone Adviser and any Carried Interest distributions received by the Greystone General Partner.

Fund Operational Expenses. The Greystone Senior Debt Fund will pay any operating expenses of the Greystone Senior Debt Fund or any of its subsidiaries, including a *pro rata* share of the expenses of any Greystone Senior Debt Fund subsidiary to the extent the subsidiary is not wholly owned by the Greystone Senior Debt Fund. Operating expenses include:

- (a) legal, auditing, consulting, technological, administration and accounting fees and expenses (including costs of reports to investors, financial statements, tax returns, K-1s (and any similar or equivalent tax forms of an applicable jurisdiction), data services, risk management assessments and analysis of the assets of the Greystone Senior Debt Fund and financial modeling, accounting and tax reporting and analysis software and services);
- (b) expenses of the Greystone Senior Debt Fund’s advisory committee, including meetings thereof, and meetings of the investors called by the Greystone General Partner;
- (c) all expenses associated with the sourcing, consideration, development, redevelopment, acquisition, origination, servicing, leasing, environmental, holding and disposition of the Greystone Senior Debt Fund’s proposed or actual investments (including temporary investments) regardless of whether consummated or whether an investment that was not consummated was pursued with a co-investor, including, without limitation, any and all costs associated with any holding vehicles, insurance, indemnification, travel (in accordance with Greystone’s or Monticello’s travel policy), custodian and other unreimbursed expenses, brokerage fees and commissions and administrative fees related to underwriting and processing individual transactions and fees for additional services provided by the Fund Investment Managers or any of their affiliates that are related to the Greystone Senior Debt Fund’s or its subsidiaries’ operations, including the Fund Management Fee and/or Other Fees described above;
- (d) all extraordinary expenses (e.g., litigation expenses associated with third-party litigation and investigations, settlements and/or reviews with respect to the Greystone Senior Debt Fund);
- (e) costs related to risk management services and insurance and indemnification for the Greystone Senior Debt Fund, including, without limitation, insurance to protect Greystone, Monticello and their affiliates

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(including, for the avoidance of doubt, the Greystone Senior Debt Fund and the Greystone General Partner), the officers, directors, principals and employees of the Fund Investment Managers, Greystone, Monticello and their affiliates, the Greystone Senior Debt Fund's advisory committee, and the Greystone Senior Debt Fund's investors, in each case, in connection with the performance of activities related to the Greystone Senior Debt Fund;

- (f) administrative costs and expenses relating to the operation of the Greystone Senior Debt Fund, including, without limitation, any and all expenses related to defaults by investors in the payment of capital contributions, any and all expenses incurred in connection with distributions to investors, any and all expenses incurred in relation to obtaining waivers, consents or approvals pursuant to the Fund's Governing Documents, and filing fees and legal or regulatory compliance expenses, including costs of complying with EU regulations or similar rules, to the extent they are not Organizational Expenses (as defined below), performing anti-money laundering or "know your customer" diligence in connection with the onboarding and ongoing participation of investors in the Greystone Senior Debt Fund, but excluding costs directly related to registering the Fund Investment Managers as investment advisers under the Investment Advisers Act of 1940, as amended (the "Advisers Act");
- (g) interest on and fees and expenses arising out of all permitted borrowings made by the Greystone Senior Debt Fund or any of its subsidiaries, including financings and refinancings of the Greystone Senior Debt Fund's investments;
- (h) all expenses relating to unconsummated transactions ("Broken Deal Expenses");
- (i) ongoing costs and expenses of offering interests in the Greystone Senior Debt Fund;
- (j) in the event the Greystone Senior Debt Fund is liquidated, all expenses of liquidating the Greystone Senior Debt Fund;
- (k) any taxes, fees or other governmental charges levied against the Greystone Senior Debt Fund (except to the extent properly allocable to, and borne by, an investor) and all expenses incurred in connection with any tax audit, investigation, settlement or review of the Greystone Senior Debt Fund, including by the "partnership representative" in its capacity as such;
- (l) fees, costs and expenses incurred in connection with complying with side letters entered into with investors, including the distribution and implementation of any applicable elections pursuant to "most favored nation" or similar clauses;
- (m) the reimbursement of certain overhead and personnel expenses as described below;
- (n) the reimbursement of any Greystone Senior Debt Fund loan from the Greystone General Partner or an affiliate plus interest thereon as permitted under the governing fund documents, including any protective advances made by the Servicer;
- (o) expenses associated with forming and operating subsidiaries and holding vehicles related to an investment (including the costs and expenses of forming and operating one or more subsidiary REITs and offering customary preferred shares in such subsidiary REITs (including fees of an administrator or placement agent engaged to conduct such offering) to satisfy requirements for REITs, and
- (p) all other expenses not specifically provided for above that are incurred by the Greystone General Partner or the Fund Investment Managers in connection with organizing any Greystone Senior Debt Fund subsidiary, operating the Greystone Senior Debt Fund, or performing the duties of the Greystone General Partner and the Fund Investment Managers (collectively, "Operating Expenses"), other than (i) ordinary and usual office overhead expenses, including, without limitation, rent, furniture, fixtures and office equipment of the Fund Investment Managers, Greystone or Monticello, and (ii) except as otherwise permitted by the Fund Governing Documents, compensation of the employees of the Greystone or Monticello.

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Fund Organizational Expenses. All out-of-pocket expenses incurred by the Greystone Senior Debt Fund and Greystone in connection with (i) the organization and formation of the Greystone Senior Debt Fund and the Greystone General Partner and (ii) the offer and sale of interests in the Greystone Senior Debt Fund, including, but not be limited to, costs and expenses for travel (in accordance with Greystone's or Monticello's travel policy), legal, accounting, filing fees, registration expenses and regulatory compliance costs (collectively, "Organizational Expenses") and, together with Operating Expenses, "Fund Expenses"), will be borne by the Greystone Senior Debt Fund. Any Organizational Expenses to be borne by the Greystone Senior Debt Fund that are paid by the Greystone General Partner or its affiliates will be reimbursed by the Fund or the applicable vehicle.

The Greystone Senior Debt Fund may reimburse Greystone, Greystone/Monticello and their affiliates for the direct and indirect costs of the personnel providing legal and accounting services for the benefit of the Greystone Senior Debt Fund based on an allocation of the amount of time the relevant personnel are providing services to the Greystone Senior Debt Fund. Such amounts shall be disclosed to the Greystone Senior Debt Fund's advisory committee and will be less than the costs that would otherwise be payable to external legal and accounting service providers for similar services.

The Greystone Senior Debt Fund's Governing Documents have provisions that allow the Greystone Senior Debt Fund to borrow money for investment and other purposes. Such borrowings may be made prior to capital being called from the Greystone Senior Debt Fund's investors. This mechanism may defer investor capital calls and provides a form of leverage that can have the effect of amplifying the Greystone Senior Debt Fund's reported net internal rate of return (IRR). Such borrowings can also accelerate the date upon which the Greystone Senior Debt Fund's preferred return will be achieved for purposes of determining when the Greystone General Partner are entitled to begin receiving Carried Interest distributions from the Greystone Senior Debt Fund. In accordance with the terms of the Greystone Senior Debt Fund's Governing Documents, interest payments and other fees and expenses incurred in respect of such borrowings are Fund Expenses and such expenses will decrease the Greystone Senior Debt Fund's net returns over time.

The CLOs.

CLO Fees. As noted above, Greystone Adviser and/or its affiliates receive fees from the CLOs, including collateral management and/or advancing agent fees, pursuant to the Governing Documents for each CLO. Greystone Adviser is compensated for providing services to the CLOs in the form of a collateral management fee based on the total value of the CLOs' assets. Pursuant to servicing agreements, Greystone Servicing Company LLC ("Greystone Servicing"), an affiliate of Greystone Adviser, receives a servicing fee for servicing loans held by a CLO. Each of these fees may be waived by Greystone Adviser or Greystone Servicing, respectively. Total fees are based on the asset value of the CLOs and are payable monthly in arrears.

CLO Expenses. The CLOs each pay, or reimburse Greystone Adviser (or an affiliate), for its proportional cost of certain out of pocket expenses including, for example, expenses and costs incurred in effecting or directing purchases and sales of mortgage loans and eligible investments, negotiating with borrowers under the mortgage loans as to proposed modifications or waivers, taking action or advising any trustees with respect to the CLOs' exercise of any rights or remedies in connection with the mortgage loans and eligible investments, participating in committees or other groups formed by creditors of the borrower under a mortgage loan, consulting with and providing the rating agencies with any information in connection with its maintenance of the ratings of the any securities issued by the CLOs, expenses related to the provision of information in order to render the securities eligible for resale pursuant to Rule 144A, reasonable travel expenses (airfare, meals, lodging and other transportation) undertaken in connection with Greystone Adviser's duties pursuant to the applicable collateral management agreement, and for an allocable share of the cost of certain credit databases utilized by Greystone Adviser in providing services to the CLO under the applicable collateral management agreement.

Greystone/Monticello Funds.

Fees. With respect to the Greystone/Monticello Funds for which Greystone Adviser serves as a co-investment manager, Greystone Adviser typically shares in the management fee payable by the Fund equal to a percentage of the Fund's assets under management. In addition, an affiliate of Greystone Adviser is typically entitled to a share of a carried interest distribution equal to a specified percentage of the Greystone/Monticello Fund's return in excess of a

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specified preferred return. In addition, Greystone Adviser or its affiliates may receive acquisition, disposition, financing, leasing, origination, servicing, or other fees payable by the Greystone/Monticello Fund or the applicable borrower. Such fees may be waived at the discretion of Greystone/Monticello.

Expenses. In addition to the fees and other compensation described above, the Greystone/Monticello Funds also pay certain expenses incurred on behalf of the Greystone/Monticello Fund, including fund administration fees, taxes, auditing fees, valuation fees and legal fees.

Investors and prospective investors in a Client should refer to such Client's Governing Documents for more detailed information concerning the fees, carried interest and other expenses that such Client will bear. In the event of any conflict between the provisions of such Governing Documents and the disclosure provided herein, the provisions of the applicable Governing Documents shall control.

ITEM 6. PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

As noted in *Item 5* above, the Greystone General Partner is entitled to receive Carried Interest distributions from the Greystone Senior Debt Fund, and Greystone/Monticello is entitled to receive Carried Interest distributions from the Greystone Monticello Funds, in each case after certain performance hurdles have been met. These performance-based Carried Interest distributions create conflicts of interest, including an incentive for Greystone Adviser to engage in riskier or more speculative investments on behalf of the Greystone Senior Debt Fund or the Greystone Monticello Funds than might otherwise be the case. In addition, Greystone Adviser may have an incentive in allocating investment opportunities to favor the Funds that are subject to a Carried Interest distribution over other Clients with no performance-based compensation or lesser performance-based compensation. To address this conflict, Greystone Adviser has adopted policies and procedures that are designed to ensure that, over time, all of its Clients are treated in a fair and equitable manner with respect to the allocation of investment opportunities. Please refer to *Item 12 - "Brokerage Practices"* below for further details.

In general, a Fund that is subject to a Carried Interest distribution will be required to hold an investment for three years or more in order for the carried interest payable to Greystone Adviser or its affiliates in respect of the investment to be taxed at long-term capital gains rates, even though individual investors generally will be entitled to long-term capital gains rates in respect of the investment so long as the Fund holds the investment for one year or more. In certain circumstances, this difference in holding periods will create an incentive for Greystone Adviser to cause the Fund to hold an investment for longer than it would otherwise and defer or delay dispositions of an investment until achieving the three-year holding period.

ITEM 7. TYPES OF CLIENTS

As noted in *Item 4* above, Greystone Adviser's Clients include the Greystone Senior Debt Fund, the CLOs and the Greystone/Monticello Funds. In general, all investors in the Clients are either "qualified purchasers" or "knowledgeable employees" of Greystone, as such terms are defined in the 1940 Act.

ITEM 8. METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

Method of Analysis, Investment Strategies

Greystone Adviser's investment objective is to provide attractive risk-adjusted returns for its Clients through current distributions. To meet this objective, Greystone Adviser focuses on investing primarily in short-term first mortgage bridge loans collateralized by multifamily, seniors housing and healthcare properties that are underwritten to permanent refinancing with agency or government insured debt. To a lesser extent, Greystone Adviser may also make investments in mezzanine loans and loans collateralized by commercial properties. Greystone Adviser will apply leverage to its Clients' first mortgage investments to optimize risk-adjusted returns for the Clients.

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Greystone Adviser's bridge loan lending program is specifically tailored toward properties that are either stabilized or in need of minor to moderate renovations before applying for long term agency or government insured financing. The program typically offers non-recourse loans with a two- to three-year duration (including extension options) as well as flexible prepayment following a six-month lockout period. In general, Greystone Adviser's bridge loans are made with a targeted as-stabilized LTV of 65-75%.

Greystone Adviser believes that effective asset and portfolio management is essential to maximizing the performance and value of its Clients' investments. To this end, the following investment process is typically followed for each investment that a Client makes:

- **Origination Process.** Greystone or Monticello originates substantially all of the Client's investments. Once a potential borrower is identified, the borrower prepares a loan application which generally requires the prospective borrower to provide Greystone or Monticello with information relating to the borrower and the underlying property, including, but not limited to, its current and past rent rolls, operating statements, sources and uses of funds, ownership history, debt and lien information, tax returns for the past three years, financial statements, environmental reports and records, the borrower's organizational documents and insurance policies. The borrower is typically responsible for paying all costs and expenses associated with the application process, including appraisals, credit reports, environmental reports, surveys, engineering reports, legal fees and recording expenses.
- **Underwriting Process.** Upon receipt of each new loan application, Greystone/Monticello's underwriting team (the "Underwriter") conducts a rigorous analysis of the borrower and the property in accordance with its underwriting guidelines. In general, the Underwriter's bridge loan underwriting guidelines require an evaluation of the following: (i) the amount of permanent financing that a borrower is anticipated to be able to obtain; (ii) all sources of financing that may be available to repay its loan, including whether the borrower and the property are expected to satisfy the eligibility criteria of the government agencies, and will be able to obtain, agency or government insured permanent financing or financing from other lending sources such as CMBS financing, loans provided by life insurance companies, proceeds from the sale of a property and other sources; (iii) the economic viability of the underlying property and the financial wherewithal and experience of the borrower; (iv) an appraisal from a member of the Appraisal Institute, pre-approved by the Underwriter; (v) a property inspection by an architect or engineer selected by the Underwriter that determines the physical condition of the property, estimates the remaining useful life of its various physical components, assesses the adequacy of its condition and identifies items of deferred maintenance and estimated repair costs; and (vi) a Phase 1 Environmental Assessment. As part of the diligence process, the Underwriter will order title, lien and judgment searches. In most cases, the Underwriter will also make an on-site visit to evaluate not only the property but the neighbourhood in which it is located. Finally, the Underwriter analyses and assesses financial and operational data provided by the borrower relating to the operation and maintenance of the property. In terms of the borrower and its principals, the Underwriter typically obtains third-party credit reports from one of the major credit reporting services as well as personal financial information provided by the borrower and its principals. In addition, with respect to mezzanine loans, the Underwriter takes additional precautions to analyses such loans to assess, among other things, their stability, growth based on their market, and the experience of the borrower. Mezzanine loans may reflect a longer-term horizon analysis than bridge loans because some mezzanine loans have terms in excess of the Clients' standard bridge loan terms of 18 to 24 months. The Underwriter analyses all this information carefully, and determines the risk associated with a potential asset based on an evaluation of all of such information, prior to making a final underwriting determination.
- **Loan Acquisition Process.** Greystone Adviser is responsible for reviewing and screening the loan acquisition opportunities, assessing loan suitability, conducting interest rate analysis, evaluating cash flow and collateral performance, reviewing legal structure, financing and return on equity, as appropriate. Greystone Adviser will also review financial, operational, credit and legal due diligence to assess the risks of the investment to a Client's overall portfolio. Consideration is also given to other factors such as price, geographic concentrations and type of product. Additionally, Greystone Adviser's senior management team will confirm that all loan approval terms have been generally satisfied and that they conform with the lending requirements established for that particular transaction. Greystone Adviser's investment committee reviews and approves

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each of the portfolio investments and confirms compliance with Greystone Adviser's investment allocation and conflicts of interest policies upon portfolio investment approval.

- **Closing Process.** Following approval of a loan by the Underwriter's credit committee and of the investment in the loan by Greystone Adviser's Investment Committee, Greystone/Monticello will move efficiently to close the loan transaction and have Greystone transfer the loan to the applicable Client. The closing process includes completion of outstanding business and legal due diligence items, finalization of third-party reports, finalization of investment documentation, sources and uses, completion of the closing statement and funding memorandum, review of the title company closing statement with the escrow agent, coordination of funding with appropriate treasury and operations groups, loan closing and funding and assignment and delivery of final loan documents and files to the custodian and/or servicer on behalf of the Client.
- **Mortgage Loan Servicing.** Subject to certain exceptions, Greystone Servicing Company LLC services any loans that Greystone originates, and Monticello services any loans that Monticello originates. The servicing affiliates perform traditional loan servicing and administrative functions, such as collecting loan payments, remitting principal and interest payments and managing escrow funds for the payment of mortgage-related expenses in exchange for a Servicing Fee. The servicing affiliates seek to ensure that each loan is paid in accordance with its terms, to maximize borrower retention, avoid foreclosure whenever possible and mitigate losses by working proactively with borrowers.
- **Asset Management and Watch List.** Greystone Adviser's and Monticello's respective senior management teams (i) monitor each loan's collateral operating history and assesses potential financial performance to accurately evaluate operations and financial viability; and (ii) monitor local economic trends, rental and occupancy rates and property competitiveness within its market. The senior management teams employs techniques that will allow the maintenance of a watch list of loans where financial performance or loan covenant non-compliance can present warning signs of impending non-performance or default. These procedures include a special risk classification system, which rates the degree of default risk given certain circumstances and the level of attention warranted by such an assessment. Based on these warning signs, the senior management teams will take the appropriate asset management action regarding any troubled loan. In certain circumstances, based on this risk classification system, the senior management teams may perform a workout and restructuring evaluation regarding certain troubled loans. In cases of default, a Client may take over the investment's real estate collateral in order to reposition the property.

Risk of Loss

The investment strategies pursued by Greystone Adviser involve a number of significant risks. These investment strategies may be deemed to be speculative. Such investment strategies are not intended to be utilized as complete investment programs. They are designed for sophisticated investors who fully understand and are capable of bearing the risk of such investments. Investment risks include, but are not limited to, the following:

Real Estate Investment Risks

Real Estate Debt. Greystone Adviser will invest on behalf of the Clients in real estate financing transactions with a focus on first mortgage bridge loans and mezzanine loans provided to owners of multifamily, senior housing and healthcare properties. Investments in mortgage loans are subject to various risks, including: (i) economic and market fluctuations; (ii) casualty or condemnation losses; (iii) regulatory limitations on rents; (iv) acts of war or terrorism, including the consequences of terrorist attacks; (v) decreases in property values; (vi) discovery of undisclosed environmental conditions; (vii) adverse changes in national and local economic and market conditions, such as an oversupply of multifamily properties; (viii) changes in the appeal of properties to tenants or prospective purchasers; (ix) changes in supply and demand; (x) various uninsured or uninsurable risks; (xi) natural disasters; (xii) changes in governmental laws and regulations (including environmental, zoning and other laws and regulations), fiscal policies and zoning ordinances and the related costs of compliance with applicable laws and regulations, fiscal policies and ordinances; (xiii) changes in the availability of debt financing and/or mortgage funds which may render the sale or refinancing of properties difficult or impracticable; (xiv) increased mortgage defaults; (xv) leases that are not renewed or are renewed at lower rental amounts at expiration; (xvi)

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increases in interest rates; and (xvii) negative developments in the economy that depress demand and real estate values generally.

If any of these or similar events occur, it may reduce the return from an affected loan and reduce or eliminate a Client's ability to make distributions to investors. In addition, decreases in property values reduce the value of the collateral and the potential proceeds available to a borrower to repay the underlying loan or loans, as the case may be, which could also cause a Client to suffer losses.

The risks associated with investing in real estate debt will be more severe during periods of economic slowdown or recession, especially if these periods are accompanied by declining real estate values.

Bridge Loans. First mortgage bridge loans are generally provided to borrowers to enable them to acquire, develop or renovate properties, and repayment of such loans is dependent on a borrower's ability to obtain replacement financing at maturity or sell the property, all of which may involve a greater risk of loss than traditional mortgage loans. Many of the first mortgage bridge loans have been provided to owners of properties that want to purchase, renovate or improve the property in order to sell it at a higher price or operate it more profitably. These loans have a higher degree of risk than loans to owners of stabilized properties because of a variety of factors, including non-stabilized cash flow, dependency for repayment on successful operation of the mortgaged property and tenant businesses operating therein, and loan terms that may include interest-only features and provide for balloon payments at stated maturity rather than periodic principal payments.

Inflation. The United States has experienced rapidly-rising inflation in recent periods. Continued inflationary pressures and attendant shifts in the stance of monetary policy or other policy reactions could negatively impact the macroeconomic environment and in turn affect the activities and performance of a Client's investments. If a collateral property is unable to increase its revenue in times of higher inflation, its profitability may be adversely affected. Many of the investments may have revenues linked to some extent to inflation, including, without limitation, by government regulations and contractual arrangement. As inflation rises, an investment may earn more revenue but may incur higher expenses. Conversely, during periods of deflation, an investment may not be able to reduce expenses commensurate with any resulting reduction in revenue. Inflation affects an investment's expenses, including, without limitation, by increasing costs with respect to wages, employee-related benefits, food, commodities (including those used to renovate or reposition an investment), taxes, property and liability insurance, utilities and borrowing costs. Additionally, a rise in interest rates is likely to create higher financing costs and may reduce the amount of levered, after-tax cash flow generated by an investment.

Illiquidity. The illiquidity of the real estate debt in which the Clients will invest may make it difficult for a Client to sell such assets if the need or desire arises. Bridge and mezzanine loans are particularly illiquid investments due to their short life, their potential unsuitability for securitization and the greater difficulty of recovery in the event of a borrower's default due to their position in the capital structure of a borrower. Due to such illiquidity, if a Client is required to liquidate all or a portion of its portfolio quickly, the Client may realize significantly less than the value at which it has previously recorded investments. As a result, a Client's ability to vary the portfolio in response to changes in economic and other conditions may be relatively limited, which could adversely affect results of operations and financial condition.

Competition. The market for real estate loans is highly competitive and competition may limit the ability to acquire desirable investments. Profitability depends, in large part, on Greystone's ability to originate loans at attractive interest rates. In originating such loans, Greystone will compete with a variety of institutional investors, including REITs, specialty finance companies, public and private funds, commercial and investment banks, commercial finance and insurance companies and other financial institutions and real property holders. Some competitors may have a lower cost of funds and access to funding sources that may not be available to Greystone. In addition, some of the competitors may have higher risk tolerances or different risk assessments, which could allow them to consider a wider variety of investments and establish more relationships than Greystone is able to achieve. Furthermore, competition for investments in the target assets may lead to the price of such assets increasing, which may further limit the ability to generate desired returns.

Defaults. Defaults on the loans by borrowers could result in one or more of the following adverse consequences: (i) a decrease in interest income, profitability and cash flow; (ii) the establishment of or an increase in loan loss

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reserves; (iii) write-offs and losses; (iv) default under the credit facilities; and (v) an increase in legal and enforcement costs, as a Client seeks to protect rights and recover the amounts owed. As a result of one or more of these consequences, the Fund would have less cash available for paying other operating expenses and for making distributions to investors. This would have a material adverse effect on results of operations.

Commercial Real Estate. Greystone Adviser intends to focus on investments in bridge financing secured by real property located in the U.S. All such target investments will derive their cash flow and value from the performance of the real estate asset underlying the loan and/or the owners of such real estate. Consequently, all of the target investments are subject to the risks of commercial real estate, including those described herein.

- Commercial real estate properties tend to be unique and are more difficult to value than residential real estate properties. In addition, commercial real estate properties are generally subject to relatively greater environmental risks than noncommercial properties and to the corresponding burdens and costs of compliance with environmental laws and other regulations. Commercial mortgage lenders typically look to the debt service coverage of a loan secured by income-producing property as an important measure of the risk of default on such a loan. Commercial property values and net operating income are subject to volatility, which may result in net operating income becoming insufficient to cover debt service on the related mortgage loan. The repayment of loans secured by income-producing properties is typically dependent upon the successful operation of the related real estate project rather than upon the liquidation value of the underlying real estate. Furthermore, the net operating income from and value of any commercial property is subject to various risks, including but not limited to: changes in general or local economic conditions and/or specific industry segments; declines in real estate values; weather and other acts of God; the age, design and construction quality of the property; the adequacy and effectiveness of the property's operations, management, maintenance and insurance; increases in operating expenses (including but not limited to insurance premiums) at the property and in relation to competing properties; changes in interest rates, real estate tax rates and other operating expenses, compliance with environmental laws and regulations, zoning laws and other governmental rules and fiscal policies; an increase in the capital expenditures needed to maintain the property, complete construction or make improvements; environmental claims arising in respect of real estate acquired with undisclosed or unknown environmental problems or as to which inadequate reserves had been established; terrorist threats and attacks and social unrest and civil disturbances. Moreover, commercial property may not readily be converted to an alternative use in the event that the operation of such commercial property for its original purpose becomes unprofitable. In such cases, the conversion of the commercial property to an alternative use would generally require substantial capital expenditures.
- Commercial real estate properties, and correspondingly the performance of real estate debt, are also subject to tenancy risks, including but not limited to: (i) the ability of tenants to make lease payments, (ii) the ability of a property to attract and retain tenants, which may in turn be affected by local conditions such as oversupply of space or a reduction in demand for rental space in the area, the attractiveness of properties to tenants, competition from other available space and the ability of the owner to pay leasing commissions, provide adequate maintenance and insurance, pay tenant improvement costs and make other tenant concessions, (iii) increased operating costs, including, but not limited to, energy costs and real estate taxes, (iv) decreases in consumer confidence, (v) changes in prices for key commodities or products, (vi) the dependence upon a single tenant, or a concentration of tenants in a particular business or industry, (vii) the length of tenant leases, (viii) the financial conditions of tenants and buyers and sellers of properties; (ix) the level of tenant defaults, (x) new construction in the same market as the mortgaged property, and (xi) changes in consumer tastes and preferences, including, but not limited to, the effects of adverse publicity. Also, there may be costs and delays involved in enforcing rights of a property owner against tenants in default under the terms of leases with respect to commercial properties and such tenants may seek the protection of the bankruptcy laws which can result in termination of lease contracts.
- The volatility of net operating income for a property also may be influenced by many of the foregoing factors, as well as by matters such as changes in supply of or demand for competing properties in the area, the ability to convert an unsuccessful property to an alternative use, rent control laws or other laws impacting operating costs, the number and diversity of tenants, the availability of trained labor necessary for tenant operations, declines in rental or occupancy rates, and the property's operating leverage (which

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is the percentage of total property expenses in relation to revenue), the ratio of fixed operating expenses to those that vary with revenues, and the level of capital expenditures required to maintain the property and to retain or replace tenants.

- Investments in commercial mortgage loans such as the bridge financings have certain distinct risk characteristics. Mortgage loans on commercial properties generally lack standardized terms, which may complicate their structure and increase due diligence costs. Commercial mortgage loans also tend to have shorter maturities than residential mortgage loans and are generally not fully amortizing, which means that they may have a significant principal balance or “balloon” payment due on maturity. Mortgage loans with a balloon payment involve a greater risk to a lender than fully amortizing loans because the ability of a borrower to make a balloon payment typically will depend upon its ability either to fully refinance the loan or to sell the property securing the loan at a price sufficient to permit the borrower to make the balloon payment. The ability of a borrower to affect a refinancing or sale will be effected by a number of factors, including, but not limited to, the value of the property, the level of available mortgage rates at the time of sale or refinancing, the borrower’s equity in the property, the financial condition and operating history of the property and the borrower, tax laws, prevailing economic conditions and the availability of credit for loans secured by the specific type of property.
- Commercial mortgage loans generally are non-recourse to borrowers. If the properties securing the mortgage loans do not generate sufficient income or have appropriate reserves to meet operating expenses, debt service, capital expenditure and tenant improvements, then the obligors under the mortgage loans may be unable to make payments of principal and interest in a timely fashion. Income from and values of commercial properties are also affected by such factors as the quality of the property manager, applicable laws, including, but not limited to, tax laws, interest rate levels, the availability of financing for owners and tenants and the impact of and costs of compliance with environmental controls and regulations. Many loans are expected to be secured by properties with little or no cash flow. In the event of foreclosure on a commercial mortgage loan, the value at the time of the collateral securing the mortgage loan may be less than the principal amount outstanding on the mortgage loan and the accrued but unpaid interest thereon.
- In addition, commercial lending generally involves larger loans, thus exposing a lender to potentially larger losses in the event of a default. The repayment of a commercial mortgage loan is typically dependent upon the ability of the applicable property to produce cash flow. Even the liquidation value of a commercial property is determined, in substantial part, by the amount of the property’s cash flow (or its potential to generate cash flow). However, net operating income and cash flow can be volatile and may be insufficient to cover debt service on the loan at any given time.
- Additionally, if the debt service associated with a commercial mortgage loan is scheduled to increase during the term of a loan pursuant to an increase in the mortgage interest rate, the expiration of an interest-only period or otherwise, there can be no assurance that the net cash flow at the property will be sufficient to pay the additional debt service and, even if it is sufficient, the requirement to pay the additional debt service may reduce the cash flow available to the borrower to operate and maintain the mortgaged property.

Mezzanine Financing. Greystone Advisers may invest Client assets in mezzanine loans, which are loans subordinate to a conventional first mortgage loan and senior to the borrower’s equity in a transaction. Mezzanine financing may take the form of (i) loans secured by pledges of ownership interests in entities that directly or indirectly control the real property, (ii) subordinated loans secured by second mortgage liens on the property, or (iii) preferred equity investments. These types of investments involve a higher degree of risk than long-term first mortgage lending secured by income producing real property because the investment may become unsecured as a result of foreclosure by the senior lender. In the event of a bankruptcy of the entity providing the pledge of its ownership interests as security, a Client may not have full recourse to the assets of such entity, or the assets of the entity may not be sufficient to satisfy the mezzanine financing. If a borrower defaults on a mezzanine loan or debt senior to the loan, or in the event of a borrower bankruptcy, the mezzanine loan will be satisfied only after the senior debt. As a result, the Client may not recover some or all of the investment. In addition, mezzanine

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loans may have higher LTVs than conventional mortgage loans, resulting in less equity in the property and increasing the risk of loss of principal.

Lender Liability. In recent years, a number of judicial decisions have upheld the right of borrowers to sue lenders on the basis of various evolving legal theories, collectively termed “lender liability”. Generally, lender liability is founded on the premise that a lender has either violated a duty, whether implied or contractual, of good faith and fair dealing owed to the borrower or has assumed a degree of control over the borrower resulting in the creation of a fiduciary duty owed to the borrower or its other creditors or stockholders. There can be no assurance that such claims will not arise or that Clients will not be subject to significant liability if a claim of this type did arise.

Investments in Multifamily Properties. A large number of factors may adversely affect the financial performance, value and successful operation of a multifamily property, including: (i) the physical attributes of the apartment or student housing building (e.g., its age, appearance and construction quality); (ii) the quality of property management; (iii) the location of the property (e.g., a change in the neighborhood over time, crime statistics of the neighborhood or increased and/or recent incidents of crime in the neighborhood); (iv) construction of additional housing units in the same market; (v) local military base or industrial/business closings; (vi) the ability of management to provide adequate security, maintenance and insurance; (vii) the types of services the property provides; (viii) the property’s reputation; (ix) the level of mortgage interest rates (which may encourage tenants to purchase rather than rent housing); (x) the generally short terms of residential leases and the need for continued reletting; (xi) rent concessions and month-to-month leases, which may impact cash flow at the property; (xii) restrictions on the age of tenants who may reside at the property; (xiii) state and local regulations, including rent control and rent stabilization; (xiv) the difficulty of evicting non-paying tenants due to a variety of factors, including government-mandated moratoriums on evictions, court closures, and local officials refusing to enforce eviction orders; (xv) whether the property is subject to low income housing use restrictions that limit income of tenants and rent for units; (xvi) the presence of competing properties and residential developments in the local market; (xvii) the tenant mix, particularly if the tenants are predominantly students, personnel from or workers related to a military base or workers from a particular business or industry; (xviii) adverse local, regional or national economic conditions, which may limit the amount of rent that can be charged and may result in a reduction in timely rent payments or a reduction in occupancy; (xix) developments at local colleges and universities; (xx) national, regional and local politics, including current or future rent stabilization and rent control laws and agreements; (xxi) trends in the senior housing market; (xxii) a lack of amenities, unattractive physical attributes or bad reputation of the multifamily property; (xxiii) government assistance/rent subsidy programs; and (xxiv) the existence of corporate tenant renting large blocks of units at the property, which in the event such tenant vacates would leave the property with a significant percentage of unoccupied space, and in the event such tenant was renting at an above-market rent may make finding replacement tenants difficult.

The limitations and restrictions imposed by tax credits, city, state and federal housing subsidies, rent control/stabilization, elder housing or similar programs could limit the income generated by a Multifamily Property and result in realized losses on the related mortgage loan. These programs may be in the form of: (i) limitations on rent that can be charged, which could adversely affect the ability of borrowers to maintain the condition of their mortgaged properties, satisfy operating expenses and pay debt service; or (ii) restrictions on the nature or income level of the tenants which could reduce the number of eligible tenants for those mortgaged properties and result in a reduction in occupancy rates.

Student housing facilities may be more susceptible to damage or wear and tear than other types of multifamily housing. Such properties are also affected by their reliance on the financial well-being of, and proximity to, the college or university to which such housing relates, competition from on campus housing units (which may adversely affect occupancy), and the physical layout of the housing (which may not be readily convertible to traditional multifamily use). Further, student tenants have a higher turnover rate than other types of multifamily tenants, which in certain cases is compounded by the fact that student leases are often available for periods of less than 12 months. Student tenants often lack substantial assets and may rely upon financial assistance or guarantees from parents, relatives or other persons.

Various factors affect viability of retail space, including location, local, regional and national economic conditions, financial quality of the tenants and increased competition. The success of a retail space is dependent to a certain

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extent on the quality of the location of the property, including the accessibility of the property to potential customers and the volume of consumer traffic at the property. In addition, adverse developments in the local, regional and national economies affect consumer spending and can have a significant effect on the success of a retail space. Further, increased competition in the market of a retail property through the addition of competing properties nearby can adversely impact the success of a retail property, even if the local, regional and national economies are doing well.

Investments in Senior Housing and Health Care Properties. In addition to the general risk of investing in real estate, many additional factors may adversely affect the value and successful operation of a senior housing or healthcare property, including: (i) the physical attributes of the private living facilities and common areas (e.g., age, appearance and construction quality); (ii) the quality of property management; (iii) the location of the property (e.g., relative desirability and prestige of the location in the local market, and resident accessibility to the wider community); (iv) the ability of management to provide adequate security and maintenance, and suitable management of amenities and common areas; (v) the types of services the property provides (including organized recreational and cultural offerings); (vi) the property's reputation; (vii) the generally short-term nature of leases and contractual fee arrangements, and the need for continued reletting; (viii) restrictions on the age of tenants who may reside at the property; (ix) state and local regulations, including rent control and rent stabilization; (x) whether the property is subject to low income housing use restrictions that limit income of tenants and rent for units; (xi) the existence of corporate tenants renting large blocks of units at the property, which in the event such tenant vacates would leave the property with a significant percentage of unoccupied space, and in the event such tenant was renting at an above-market rent may make finding replacement tenants difficult; (xii) the tenant mix; (xiii) government assistance/rent subsidy programs; (xiv) national, state or local politics; and (xv) the impact of health crises (such as the COVID-19 pandemic), including decreased occupancy rates and demand for senior housing and increased cost of operation as a result of preparation and response efforts, increased regulatory requirements, increased enforcement actions, and additional exposure to legal actions and liability claims. In addition, Senior Housing Properties are generally special purpose properties that may not be readily converted to general residential, retail or office use. This could adversely affect their liquidation value.

Skilled nursing facilities may receive a substantial portion of their revenues from government reimbursement programs, primarily Medicaid and Medicare, as well as from its residents' private insurance and personal income sources. However, Medicare and Medicaid do not ordinarily provide reimbursement for services furnished by typical assisted living facilities, which derive most of their revenues from their residents' own resources. Assisted living facilities may receive partial reimbursement for services rendered to residents who are eligible to participate in special state supplementation programs, which may be funded by Medicaid, or in certain cases may be funded by a Medicaid waiver program. Medicaid and Medicare are subject to statutory and regulatory changes, retroactive rate adjustments, administrative rulings, policy interpretations, delays in payment by fiscal intermediaries and government funding restrictions. Under applicable federal and state laws and regulations, Medicare and Medicaid reimbursements generally may not be made to any person other than the provider who actually furnished the related material goods and services. Accordingly, in the event of foreclosure on a senior housing or healthcare property, neither a lender nor other subsequent lessee or operator of the property would generally be entitled to obtain from federal or state governments any outstanding reimbursement payments relating to services furnished at the property prior to foreclosure. Providers of skilled nursing care, assisted living and other medical services are also affected by the reimbursement policies of private insurers to the extent that providers are dependent on residents whose fees are paid or reimbursed by such insurers. Moreover, governmental payors have employed cost containment measures that limit payments to healthcare providers.

Providers of skilled nursing care, assisted living and other medical services are highly regulated by federal, state and local law and are subject to numerous factors that can increase the cost of operation, limit growth and, in extreme cases, require or result in suspension or cessation of operations, including: (i) federal and state licensing requirements; (ii) facility inspections; (iii) rate setting; (iv) reimbursement policies; and (v) laws relating to the adequacy of medical care, distribution of pharmaceuticals, use of equipment, staffing and maintenance of and additions to facilities and services. In addition, many states have enacted additional regulations and operating requirements relating to COVID-19, including regulations and operating requirements specifically applicable to Senior Housing Properties. The costs and administrative burdens associated with complying with applicable laws and regulations may adversely affect the operating income of a borrower and its ability to make payments on its mortgage loan and may adversely affect the values of the mortgaged properties and the borrowers' ability

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to repay the related mortgage loans. Independent Living Facilities may be regulated in some states, but generally are not. There is no federal agency which oversees them. Furthermore, transfers of licensed Senior Housing Properties may be subject to regulatory approvals under state law that are not required for transfers of most other types of commercial properties. In the event of foreclosure, there can be no assurance that a lender or other purchaser in a foreclosure sale would be entitled to the rights under any required licenses and regulatory approvals. The lender or other purchaser may have to apply in its own right for those licenses and approvals. There can be no assurance that a new license could be obtained or that a new approval would be granted.

In recent years, health care providers, including operators of skilled nursing facilities, have experienced difficulties in attracting and retaining qualified personnel, such as nurses, certified nurse assistants, nurse's aides and other health care practitioners. Such difficulties are exacerbated by staffing mandates imposed by some states, as well as private and regulatory actions against skilled nursing facilities based on claims of inadequate staffing. As a result, affected skilled nursing facilities experience increases in labor costs primarily due to higher wages and greater benefits required to attract and retain qualified health care personnel. These costs cannot be automatically rolled back or downwardly adjusted in the event of a precipitous or sustained rise in the pool of individuals available for work. Each operator's ability to control labor costs, which represent a large component of its operating expenses, may significantly impact its future operating results. In addition to staffing shortages, some areas of the country are experiencing active organized labor campaigns that have focused on health care facilities. Any wage increases resulting from these efforts may not necessarily be absorbed by higher revenue and increases in reimbursement rates may not keep pace with increases in labor costs.

The Health Insurance Portability and Accountability Act of 1996, or HIPAA, the Health Information Technology for Economic and Clinical Health Act, or the HITECH Act, and the implementing regulations known as the HIPAA Privacy and Security Rules, as well as similar state laws and regulations are designed to protect the confidentiality and security of patient health information. To establish and maintain compliance with these laws and regulations, skilled nursing and other healthcare facilities, including in certain cases assisted living facilities, must undertake significant operational and technical implementation efforts. A healthcare provider faces significant financial exposure if it fails to maintain the privacy and security of medical records and other personal health information.

The regulatory environment for senior care services has intensified, particularly the regulatory environment for large, for-profit, multi-facility providers. Many state governments have imposed enforcement policies resulting in a significant increase in the number of surveys and inspections, citations of regulatory deficiencies, and regulatory sanctions, including admission bans and terminations from Medicaid programs. Skilled nursing and assisted living facilities are subject to surveys annually, bi-annually or at other specified intervals as determined appropriate by the state regulatory agency responsible for regulating such facilities and may be subject to additional surveys such as complaint investigation surveys and life safety code surveys. The surveys are conducted to determine whether the facility is in compliance with state laws and regulations relating to licensure and federal and state laws and regulations relating to participation in the Medicare and Medicaid programs. Often these regulatory agencies issue statements of deficiencies for failure to comply with various regulatory requirements and may provide a facility with an opportunity to correct such deficiencies by preparing and implementing a plan of correction. Failure to timely submit and implement such corrective action plans can result in sanctions such as, among other things, licensure suspension or revocation. Additionally, CMS has implemented an overall Five-Star Rating System for Skilled Nursing Facilities. Each Skilled Nursing Facility is given an overall rating, ranging from one star to five stars. Skilled Nursing Facilities with three to five stars are deemed to be average or above while nursing homes with one and two stars are considered below average. Each facility is rated on three separate measures: (1) the health survey measure, which is based on unannounced annual surveys and complaint surveys conducted by state survey agencies; (2) the staffing measure, which is based on self-reported information of nurse staffing in the two weeks before the annual survey; and (3) the quality measures, which are based on risk-adjusted resident assessment information. An overall rating combines the three individual scores. Star ratings are publicly available. Consumers may consider the star ratings when choosing a Skilled Nursing Facility, and healthcare service providers may consider the star ratings in granting access to provider networks or making referrals. A low star rating may have a material adverse impact on a Skilled Nursing Facility's ability to attract residents, obtain referrals from hospitals and participate in hospital provider networks.

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As is typical in the healthcare industry, the operators of skilled nursing facilities and assisted living facilities are often subject to claims for damages relating to the services that they provide. There is no assurance that the insurance coverage maintained by an operator of a skilled nursing facility or assisted living facility is sufficient to cover the claims made against it, or that such insurance coverage will continue to be available at a reasonable cost, if at all. For an operator of a skilled nursing facility or assisted living facility, any adverse determination in a legal proceeding or governmental investigation, whether currently asserted or arising in the future, could have a material adverse effect on the operator's financial condition and, consequently, on the ability of operator and related borrower to make timely payments of interest on and principal of the related mortgage loan.

Risks to Relationships with Government-Sponsored Enterprises (GSEs). There is uncertainty regarding the future of GSEs (e.g., Freddie Mac and Fannie Mae) with whom Greystone relies on as a means of exiting the bridge loans in which the Clients invest through refinancings. Should Freddie Mac or Fannie Mae have their mandates changed or reduced, be disbanded or reorganized by the government or otherwise discontinue providing liquidity to a Client's sector, it could cause market disruption until other sources of liquidity can be established and adversely affect a Client's ability to successfully execute its investment program.

Investments in Pooled Investment Vehicles:

Illiquid Investments. An investment in a Fund or a CLO may be illiquid. Investors in the Greystone Senior Debt Fund have the ability to redeem their interests out of the Greystone Senior Debt Fund at NAV, but these rights are subject to lock-up periods and other significant limitations, and the Greystone General Partner may, at its discretion, elect not to honor redemption requests under certain conditions. Investors in the Greystone/Monticello Funds do not have such redemption rights and are generally expected to hold their interests in a Greystone/Monticello Fund until the Fund is terminated. Investors in the CLOs may sell their interests in the CLOs' debt on the secondary market, but such debt has not been registered for sale on the public markets and may only be sold in private transactions. Other restrictions also apply. There can be no assurance that an active secondary market for the CLOs' debt will develop or be maintained. Investors in the Clients should therefore be prepared to hold their investments in the Clients for an indefinite period of time.

Industry Sector Concentration. The investment strategies pursued by Greystone Adviser tend to involve making illiquid private investments in the multifamily, senior housing and healthcare property markets. As a result, the portfolios managed by Greystone Adviser tend to be highly concentrated in those market sectors, and the economic or market disruptions in any one of those market sectors could have a materially adverse impact on a Client's overall performance.

Dependence on Greystone and Greystone Adviser. Investments in the Clients are passive investments. In general, investors in the Clients have no control over the day-to-day operations of such Clients and limited rights to protect themselves if they are dissatisfied with the manner in which a Client is being operated. Investors in a Client will be highly dependent on the investing skills and management abilities of Greystone Adviser and Greystone to achieve success. Operating results and ability to grow are dependent upon the availability of attractive investment opportunities, as well as Greystone's ability to identify, structure, consummate, finance, manage and realize returns on investments and Greystone's ability to successfully hire, train, supervise and manage new personnel.

Due diligence of Portfolio Investments. Before making investments, Greystone will conduct such due diligence as is deemed reasonable and appropriate based on the facts and circumstances applicable to each portfolio investment. Due diligence may entail evaluation of important and complex business, financial, tax, accounting, environmental, social, governance and legal issues. When conducting due diligence and making an assessment regarding a portfolio investment, Greystone may rely on the resources available to it, such as information provided by the prospective borrowers and other third-parties. The due diligence investigation may not reveal or highlight all relevant facts that may be necessary or helpful in evaluating such investment opportunity. Moreover, such an investigation will not necessarily result in the investment being successful. Conduct occurring at the underlying properties securing the portfolio investments, even activities that occurred prior to a Client's investment therein, could have an adverse impact on the Client's performance.

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Hedging Strategies. While not anticipated to be a meaningful component of Greystone Adviser's investment strategy, certain Clients may utilize a wide variety of derivative financial instruments for risk management purposes, the use of which is a highly specialized activity that may entail greater than ordinary investment risks. Any such hedging transactions may not be effective in mitigating risk in all market conditions or against all types of risk (including, but not limited to, unidentified or unanticipated risks), thereby resulting in losses to a Client. Engaging in hedging transactions may result in a poorer overall performance for a Client than if it had not engaged in any such hedging transaction, and Greystone Adviser may not be able to effectively hedge against, or accurately anticipate, certain risks that may adversely affect a Client's investment portfolio. In addition, a Client's investment portfolio will always be exposed to certain risks that cannot be fully or effectively hedged, such as credit risk relating both to particular securities and counterparties.

Valuation. For purposes of calculating any management fees or carried interest distribution payable by the Clients, the fair value of all portfolio investments or of property received in exchange for any portfolio investments will be determined by Greystone Adviser in accordance with the applicable Client Governing Documents and/or Greystone Adviser's internal valuation policies. It may be the case that the carrying value of a portfolio investment may not reflect the price at which the portfolio investment is ultimately sold in the market, and the difference between carrying value and the ultimate amount realized from the portfolio investment could be material. The valuation methodologies used to value any portfolio investment will involve subjective judgments and projections and may not be entirely accurate. Valuation methodologies will also involve assumptions and opinions about future events, which may or may not turn out to be correct. Ultimate realization of the value of an asset depends to a great extent on economic, market and other conditions beyond Greystone Adviser's control. The valuation of a Client's portfolio will affect the amount of compensation payable to Greystone Adviser and its affiliates. The valuation of investments may also affect the ability of Greystone to raise capital for additional or successor Clients. As a result, there may be circumstances where Greystone Adviser is incentivized to determine valuations that are higher than the actual fair value of investments.

Diversity of Investor Group. Greystone Adviser may have investors located in a wide variety of jurisdictions, taking a wide variety of forms, which may result in conflicting investment, tax and other interests with respect to the investments it makes on behalf of a Client and with respect to the interests of investors in other Clients managed or advised by Greystone Adviser that may participate in the same investments as a Client. The conflicting interests of individual Investors with respect to other Investors would generally relate to or arise from, among other things, the nature of portfolio investments made by the Clients, the structuring or the acquisition of investments and the timing of disposition of portfolio investments. As a consequence, conflicts of interest may arise in connection with decisions made by Greystone Adviser Manager, including with respect to the nature or structuring of investments, which may be more beneficial for one or more (but not all) Investors than for other Investors, especially with respect to the Investors' individual tax situations. In addition, Clients may make portfolio investments that may have a negative impact on related investments made by the Investors in separate transactions.

In selecting and structuring investments appropriate for a Client, Greystone Adviser will consider the investment and tax objectives of the Clients as a whole, not the investment, tax or other objectives of any Investor individually. Additionally, Greystone Adviser may elect to exclude certain Limited Partners from particular investments for legal or regulatory reasons applicable to any such portfolio investment, in which case non-excluded Investors will be allocated a greater proportionate interest in such investment.

Fund Investments in the CLOs. To finance investments, a Fund may securitize or otherwise repackage certain of its investments on an individual or cross-collateralized basis. This would typically involve creating a CLO, contributing a pool of Fund assets to such vehicle or a related entity, and selling debt interests in such entity on a non-recourse or limited-recourse basis to purchasers. To the extent a Fund creates CLOs the Fund will depend on distributions from the CLO's assets out of its earnings and cash flows to enable the Fund to make distributions to its Investors. The ability of a CLO to make distributions will be subject to various limitations, including, but not limited to, the terms and covenants of the debt it issues. For example, tests (based on interest coverage or other financial ratios or other criteria) may restrict a Fund's ability, as the holder of an investment vehicle's equity interests, to receive cash flow from these investments. There is no assurance any such performance tests will be satisfied. Also, a CLO may take actions that delay distributions in order to preserve ratings and to keep the cost of present and future financings lower. As a result, there may be a lag, which could be significant, between

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the repayment or other realization on a loan or other assets in, and the distribution of cash out of, such CLO, or cash flow may be completely restricted for the life of the CLO. In general, the terms of the financing that any CLO's enter into will generally provide that the principal amount of assets must exceed the principal balance or market value of the related debt by a certain amount, commonly referred to as "over-collateralization." In addition, the financing terms for a CLO may provide that, if certain delinquencies and/or losses exceed specified levels, the required level of over-collateralization may be increased or may be prevented from decreasing as would otherwise be permitted if losses or delinquencies did not exceed those levels. Failure to obtain favorable terms with regard to over-collateralization may materially and adversely affect the liquidity of the applicable Fund. If the assets held by a CLO fail to perform as anticipated, their over-collateralization or other credit enhancement expenses may increase, resulting in a reduction in income and cash flow to the applicable Fund from the CLO. In addition, a decline in the credit quality of assets in an investment vehicle due to poor operating results of the relevant borrower, declines in the value of collateral, among other things, may force a CLO to sell certain assets at a loss, reducing their earnings and, in turn, cash potentially available for distribution to the Fund for distribution to the Fund's Investors. The equity interests that a Fund will hold in a CLO will not be secured by the assets of the CLO, and the Funds will rank behind all known or unknown creditors, whether secured or unsecured, of the CLO. To the extent that any losses are incurred by a CLO in respect of any collateral, such losses will be borne first by the applicable Fund, as the owner of the equity interests in the CLO. The value of loans may be affected by prepayment rates.

As noted in Item 4 above, Greystone Adviser acts as both the investment manager of the Funds and the collateral manager of the CLOs. This gives rise to certain conflicts of interest between the Funds and the CLOs that Greystone Adviser must manage. See *"Item 10 – Other Financial Activities and Affiliations"* for more details.

Investments in the CLOs. Potential Investors in a CLO should review the most recent offering documents for the CLO for more detailed discussion of the risks associated with investments in the CLOs. Examples of risks with a CLO's strategy include, but are not limited to, the following:

- Interests in a CLO (generally, the "Notes") may be subject to mandatory redemption, in whole or in part, under various circumstances.
- Generally, holders of the Notes do not have any rights to participate in decisions with respect to the administration of the mortgage loans. Decisions relating to the administration of a CLO and the mortgage loans, including enforcement and remediation efforts, are generally made by the CLO's servicer in consultation with Greystone Adviser.
- The ratings assigned to the Notes reflect only the views of certain ratings agencies as of the date such ratings were issued. Future events could have an adverse impact on such ratings. A security rating does not represent any assessment of the yield to maturity that an investor may experience. Further, the ratings do not consider to what extent the Notes are subject to redemption.
- The amount, type and nature of credit support, if any, provided with respect to the Notes are determined on the basis of criteria established by the applicable rating agencies. These criteria are sometimes based upon analysis of the behavior of mortgage loans in a larger group. There can be no assurance that the historical data supporting that analysis accurately reflects future experience, or that the data derived from a large pool of mortgage loans accurately predicts the delinquency, foreclosure or loss experience of the CLO assets.
- The Notes are non-recourse obligations of the CLO. The Notes are payable solely from the payments by the borrowers utilizing cash flow from the mortgaged properties, including the proceeds of any sale or refinancing in respect of the mortgage loans and other assets pledged by the CLO to secure the notes. Difficult conditions in the real estate markets may cause the CLO to experience losses related to its investments and there can be no assurance that it will be successful in implementing its business strategies amidst these conditions.
- The lack of liquidity in the CLO's target assets may adversely affect its business.

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- The CLO operates in a highly competitive market for investment opportunities and competition may limit their ability to acquire desirable investments.
- The CLO may be adversely affected by concentration of the asset pool in related borrowers, sponsors or geographic location.
- The target assets are adjustable rate mortgage loans. Any major adjustment in the interest rates may affect the values and returns on the CLO's investments.
- Target assets may be analyzed on an "as-stabilized" basis. The calculations related to such analysis contain significant assumptions and estimates.
- The value of loans may be affected by prepayment rates.
- Insurance on the properties underlying the loans may not adequately cover all losses, and uninsured losses could materially and adversely affect the CLO.
- Liability relating to environmental matters may impact the value of properties underlying the loans, which could have an adverse effect on obligors' business or financial condition.

Fund Side Letters. As noted in Item 4 above, in connection with or as a condition to an investor's agreement to invest in a Fund, the Fund or its general partner may from time to time enter into a "side letter" or similar agreement with an institutional or other investor pursuant to which the Fund or its general partner grants the investor specific rights, benefits or privileges that are not generally made available to all investors. Such rights, benefits or privileges include waivers or discounts on management fees and/or carried interest, "most favored nation" clauses, preferential access to co-investment opportunities, the right to be excused from participating in certain investments made by a Fund, notice rights upon the occurrence of certain events, seats on a Fund's limited partner advisory committee, specialized or additional reporting rights, rights related to tax treatment, rights related to regulatory matters, rights related to immunities or indemnification, rights related to the ability of the investor to transfer its interest in the Fund, additional representations and warranties from the Fund, its general partner and/or Greystone Adviser, modifications to the subscription agreement and other benefits. While the ability of a Fund or its general partner to enter into a side letter or similar agreement affording preferential rights to certain investors is generally disclosed to other investors in the Fund, the terms of such "side letters" or similar agreements are generally not disclosed to other investors in the Fund, except to investors that have separately negotiated for the right to review such agreements.

Risks Relating to LIBOR Reform. On March 5, 2021, the ICE Benchmark Administration (the "IBA"), the administrator of the London Interbank Offered Rate ("LIBOR"), and the UK Financial Conduct Authority, the regulatory supervisor of the IBA, announced that the final publication for 1-week and 2-month USD LIBOR tenor settings will be December 31, 2021 and overnight, 1-month, 3-month, 6-month and 12-month USD LIBOR tenor settings will be June 30, 2023. In April 2018, the Federal Reserve Bank of New York commenced publishing the Secured Overnight Financing Rate ("SOFR"), an alternative reference rate to USD LIBOR. It is uncertain as to whether SOFR or other alternative reference rates may become widely accepted alternatives to USD LIBOR. Changes in the method of determining LIBOR, or the replacement of LIBOR with alternative reference rates, may adversely affect (a) interest rates on the Fund's current or future indebtedness and/or (b) returns on Investments to the extent that Investments are indexed to or references the current formulation of LIBOR. The risks associated with the discontinuation of LIBOR and the transition to SOFR (in the case of USD LIBOR) or another alternative reference rate may involve, among other things, increased volatility or illiquidity in markets for instruments that rely on LIBOR, reductions in the value of certain instruments, increased borrowing costs, technical challenges related to technological systems or vendors utilized by the Manager incorporating new or modified instruments that differ from LIBOR and increased costs in connection with renegotiations or modifications to legal documents, any of which may adversely affect the Fund's return on investment.

No guarantee or representation can be made that a Client will achieve its investment objective or that Investors will receive a return on their investment. All investing involves a risk of loss and the investment strategies pursued by the Clients could lose money over short or even long periods. Prospective and existing investors are advised to

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review the offering materials and other constituent documents for full details on each applicable Fund's investment, operational and other actual and potential risks.

ITEM 9. DISCIPLINARY INFORMATION

Not Applicable

ITEM 10. OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

As noted in Item 4 above, Greystone Adviser is a part of Greystone, a group of affiliated companies that provides a vertically integrated comprehensive set of services in connection with the group's commercial real estate lending activities, including the origination and initial financing of real estate loans, the ongoing administration and servicing of such loans, and the sale of such loans on to various U.S. government sponsored entities, federal agencies or other institutional investors. In addition, Greystone has entered into a joint venture with Monticello under which Greystone Adviser and Monticello co-manage the Senor Debt Fund and the Greystone/Monticello Funds. Finally, Cushman Wakefield holds a significant (40%) minority interest in Greystone Adviser's ultimate parent company. These relationships and affiliations create certain conflicts of interest, including the following:

- Affiliated Service Providers.** As noted in Item 5 above, Greystone, Greystone/Monticello and/or their respective affiliates provide a number of loan servicing and other administrative services to the Clients for a fee. These relationships may influence Greystone and/or Greystone Adviser in deciding whether to select, recommend or create such an advisor or service provider to perform services for the Clients or a portfolio investment (the cost of which will generally be borne directly or indirectly by the Clients) and may incentivize Greystone to engage such service provider over a third-party. Any fees from these providers will not result in an offset to management fees. *Services provided to the Fund or CLOs by affiliates may not be provided on terms as favorable to those that could be obtained from unaffiliated third parties. Comparable services could be obtained from an unaffiliated third party on better terms, including at a lower cost.*
- Other Services Providers.** Certain advisors and other service providers (including accountants, administrators, lenders, bankers, brokers, attorneys, consultants, title agents, property managers and investment or commercial banking advisers) to the Clients, Greystone, its affiliates and/or certain entities in which the Clients have investments may also provide goods or services to or have business, personal, financial or other relationships with Greystone. Such advisors and service providers may be investors in the Clients, affiliates of the Fund General Partner, sources of investment opportunities or co-investors or commercial counterparties or entities in which Greystone has an investment. Payments by the Clients and/or such investments may indirectly benefit Greystone. Consequently, Greystone has an incentive to utilize the services of such advisors or other service providers or to pay such advisors or other service providers, higher fees or commissions, out of the Client's assets, in return for such advisors or service providers' willingness to invest with Greystone.
- Clients may purchase warehoused investments and participate in other principal transactions.** The Clients acquire loans or notes owned or originated by Greystone or its affiliates or other vehicles managed by Greystone. Investor approval of such investments will not be required if they are transferred to a Client at par within sixty (60) days of origination and the investments are otherwise made in accordance with the investment guidelines set forth in the applicable Governing Documents. The fair values of such investments at the time they are acquired by a Client may be less than the par value of the investments. A Client may subsequently recognize a loss on such investments if the investments do not recover from the loss in value.
- Other Affiliated Transactions.** It is also possible that a Client or a Client's portfolio investments may be counterparties or participants in agreements, transactions or other arrangements with an investor or an affiliate of an investor in one of the Clients. Such transactions may include agreements to pay performance fees to operating partners in connection with a Client's investment therein, which will reduce the Client's returns and will not necessarily be subordinated to the return of the investors' capital contributions. Such investors

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described in the previous sentences may therefore have different information about Greystone and the Client than investors not similarly positioned. In addition, conflicts of interest may arise in dealing with any such investors, and the General Partner and its affiliates may not be motivated to act solely in accordance with the Client's best interests.

- **Participation or Interest in Client Transactions.** From time to time, the investment teams from Greystone and Monticello may each recommend securities to their respective Clients that Greystone, Monticello, and/or their respective affiliates, acts as managing member, from which it or an affiliate receives servicing or other fees, and/or invests Clients in the same securities as Greystone, Monticello and/or their affiliates. Affiliated entities may also make loans to the same types of entities to which Greystone's or Monticello's other Clients make loans. Furthermore, Greystone, Monticello and/or their respective affiliates will typically make an investment in the Greystone Monticello Funds alongside third-party investors. Because each investment team decides which loans to offer to Monticello's advisory clients and which loans to offer to the Greystone Senior Debt Fund and in what proportions, a conflict of interest may arise whereby Monticello may have an interest in offering greater proportions of those loans that they find less attractive, while retaining a greater proportion of those loans that they consider to be more attractive investments.

Furthermore, Greystone Monticello affiliates offer working capital lines of credit to borrowers through special purpose vehicles. In connection with these lines of credit, as well as other loans offered to Clients, the Greystone and Monticello affiliates receive management fees, origination fees, transaction fees, or other fees related to the use of the working capital lines by borrowers. Because fees will typically be based upon the availability as well as the level of use of the working capital line following the closing of a loan, these arrangements may create an incentive to offer loans through Clients when Greystone may or may not have done so otherwise, or in situations which may not be in the best interests of the Clients.

- **Allocation of Time and Personnel.** Greystone Adviser and its personnel will devote such time as they determine is necessary to conduct the business affairs of the Client in an appropriate manner. However, the managers, directors, officers, employees and other personnel of Greystone Adviser may have conflicts between their duties to the Clients and their duties to, and interests in, Greystone or its other affiliates. Greystone Adviser is not obligated to dedicate any of its personnel exclusively to the Clients, nor is it or its personnel obligated to dedicate any specific portion of its or their time to the business of the Clients, and except as otherwise expressly provided in the applicable Governing Documents, Greystone Adviser is not prohibited from serving as an adviser to any other Client. Greystone Adviser and its managers, directors, officers, employees and other personnel engage in other business and provide services to other parties, and the Clients will compete with these other parties for Greystone Adviser's and Greystone's resources and support.

During turbulent conditions in the mortgage industry, distress in the credit markets or other times when the Clients will need focused support and assistance from Greystone Adviser's and Greystone's personnel, entities for which they also act will likewise require greater focus and attention, placing their resources in high demand. In such situations, the Clients may not receive the necessary support and assistance they require or would otherwise receive if Greystone Adviser's and Greystone's personnel did not act for other entities. The ability of Greystone Adviser, Greystone and their officers and personnel to engage in other business activities may reduce the time they spend advising the Clients.

- **Relationship between the Greystone Senior Debt Fund and the CLOs.** As mentioned, there will be a strategic relationship between the CLOs and the Fund and affiliates of Greystone Adviser. The mortgage portfolio in which the CLOs and the Fund invest are originated, underwritten and serviced by various affiliates of Greystone Adviser. In order to address these and other related-party conflicts, the CLOs' and Fund's advisory committees (as discussed below) each will review certain conflicted transactions.
- **Participation or interest in CLO transactions.** As a result of the agreement between Greystone and the CLOs, Greystone Adviser recommends the purchase or sale of certain assets from Greystone. This is done in a manner that is consistent with the best interests of the client, applicable law, and the governing, advisory, and other documents related to the CLOs. Greystone's compliance policy establishes a set of guidelines for entering into principal transactions between the CLOs, or any future client, and the proprietary accounts of our affiliates. The Advisory Committees of the CLOs are required to consent to transactions between the

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CLOs and Greystone Adviser or any of its affiliates (each a “Restricted Transaction”). Following the receipt of notice of a Restricted Transaction, the Advisory Committee is required to determine whether the Restricted Transaction is on terms substantially as favorable to the CLOs as would be the case if such transaction were not a Restricted Transaction. The Advisory Committee is required to determine that the purchase price in respect of such Restricted Transaction is equal to the fair market value of such mortgage loan. In certain circumstances, the Advisory Committee will be required to determine whether the mortgage loan satisfies the applicable eligibility criteria applicable to it. Each of the foregoing determinations must be made by the Advisory Committee and evidenced in writing. Each Advisory Committee will include an independent member. The independent member of the Advisory Committee will serve on the Advisory Committee, consider actions to be taken with respect to Restricted Transactions and take such actions as may be necessary or advisable in connection therewith. Advisory Committee consent will not be required in certain extraordinary and pre-determined circumstances including credit risk/defaulted obligation cash purchases and sales of assets in connection with a redemption of the CLOs’ notes pursuant to their indenture, in each case subject to purchase prices specified in the transaction documents of the notes’ offering.

- Material Non-Public Information.** As a result of existing investments or activities of the Funds managed by Greystone Adviser, Greystone, Monticello and their respective employees or managers of both entities, may from time to time acquire material nonpublic information that they will not be able to use for the benefit of the Funds and that may restrict both Greystone Adviser and Monticello from trading in certain investments for its Funds. To avoid some of these restrictions with respect to one or more funds, Greystone Manager and Monticello may elect not to receive such material nonpublic information. As a result, another Fund, at times, may receive less information about a particular investment than it may have otherwise received, including less information than that received by other investors, and therefore may be disadvantaged compared to other investors in determining to purchase or sell such investment.
- Cushman Wakefield.** From time to time, Cushman Wakefield may seek a bridge loan financing from Greystone with respect to one of its properties. Cushman Wakefield’s ownership interest in Greystone is passive, and Greystone underwrites and negotiates such loan opportunities with Cushman Wakefield on an arms-length basis that are no different from the process it undertakes with respect to any other loan opportunity involving a third-party borrower. Nevertheless, a potential conflict of interest exists to the extent Greystone may be incentivized to offer Cushman Wakefield more favorable terms than it might otherwise due to Cushman Wakefield’s ownership interest in Greystone.

Neither Greystone Adviser nor any of its directors, officers or principals is registered, or has an application pending to register, as a broker-dealer or a registered representative of a broker-dealer. Neither Greystone Adviser nor any of its directors, officers or principals is registered, or has an application pending to register, as a futures commission merchant, commodity pool operator, commodity trading advisor, or is an associated person of any of the above.

ITEM 11. CODE OF ETHICS

Greystone Adviser has adopted a Code of Ethics (the “Code”) that sets forth standards of conduct expected of its employees and officers, and any other persons as may be designated as an access person or a covered person by Greystone Adviser’s Chief Compliance Officer (collectively, “Covered Persons”). The Code describes key legal and fiduciary standards and requires Covered Persons to comply with all applicable laws and regulations. The Code also includes policies addressing personal investment activity, outside business activities, giving and receiving of gifts or entertainment, and political contributions. Covered Persons are also required to file certain periodic reports and certifications with the Chief Compliance Officer. Under the Code, Covered Persons are permitted to invest for their own accounts, but are prohibited from engaging in certain transactions that may present a conflict of interest with Greystone Adviser’s Clients. Further, Covered Persons are required to maintain records of their personal securities transaction history and to make them available to Greystone Adviser. This policy is intended to help mitigate the risk that Covered Persons misuse inside information or otherwise engage in inappropriate investments for their own accounts. A copy of the Code is distributed to each Covered Person at the time of hire and annually thereafter. Covered Persons are required to attend annual Code of Ethics training and certify that they are in compliance with

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the Code. Covered Persons who violate compliance policies and procedures including the Code can be subject to sanctions, including possible employment termination.

A copy of the Code will be made available to clients and prospective clients upon request.

ITEM 12. BROKERAGE PRACTICES

Brokers

Greystone Adviser's advisory business generally involves privately negotiated transactions in which best execution obligations do not arise in the same context as transactions in publicly-traded securities. With respect to such private transactions, Greystone Adviser believes it fulfills its best execution responsibilities through careful evaluation and negotiation of the terms of each such transaction.

If Greystone Adviser retains a broker-dealer or investment bank with respect to a privately negotiated transaction with respect to a Client or one of its portfolio investments, the costs will be borne by the relevant Clients and/or portfolio investments. In doing so, Greystone would consider the capabilities with respect to the type of transaction being contemplated, the commission or fees charged, the reputation of the broker-dealer or investment bank being considered, and responsiveness to requests for information.

Greystone Adviser has not entered into any soft dollar or directed brokerage arrangements with any broker-dealer, but may enter into such arrangements in the future. Such arrangements shall be consistent with the safe harbor provisions of Section 28(e) of the Securities Exchange Act of 1934, as amended.

Greystone Adviser's brokerage practices on behalf of its Clients may be modified based upon the Governing Documents of specific investments or with respect to certain Clients.

Allocation of Investment Opportunities

Greystone Adviser is committed to allocating investment opportunities among any conflicting accounts in a manner that, over time, is fair and equitable to all Clients, and has established policies and procedures to guide the determination of such allocations.

Currently, Greystone Senior Debt Fund has an exclusivity/right of first refusal with respect to certain bridge loan investment opportunities within the Greystone Senior Debt Fund's investment parameters. To the extent any investment approved by Greystone Adviser's investment committee (the "Investment Committee") falls within such investment parameters, Greystone Adviser shall first consider, and allocate, such investment for the Greystone Senior Debt Fund. If the Investment Committee determines, in its sole discretion, that such investment will not be made by the Greystone Senior Debt Fund, then the investment may be considered for other Clients.

Greystone and Greystone/Monticello shall share investment and disposition opportunities with Greystone Adviser for potential allocation to Greystone Adviser's Clients. For Clients with similar investment mandates, investment opportunities (subject to the exclusivity/right of first refusal by Greystone Senior Debt Fund as provided above) will generally be allocated to the vehicle or vehicles for which the Investment Committee determines the investment is most suitable, which may include an allocation of such investment among multiple funds and/or the account of Greystone. Among other things, the Investment Committee will consider relative size of each of the Clients in which an asset is eligible in determining the size of each allocation. In addition, the Investment Committee may, from time to time, use a rotation system for making any allocation determinations. Under the rotation system, Clients will be included in a rotation for loan opportunities that are limited in nature, such that if a Client is excluded from one pro-rata allocation, such Client will be eligible to take advantage of another limited opportunity.

Greystone RIA may also consider the following factors in making any allocation determinations, and such factors may result in a different allocation of investment and/or sale opportunities: (i) the risk-return and target return profile of the proposed investment relative to the Clients' objectives; (ii) the Clients' investment guidelines, restrictions, terms and objectives, including whether such objectives are considered solely in light of the specific investment under

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consideration or in the context of the respective portfolios' overall holdings; (iii) the need to re-size risk in the Clients' portfolios (including the potential for the proposed investment to create an industry, sector or issuer imbalance in the Clients' portfolios, as applicable) and taking into account any existing non-pro rata investment positions in the portfolio of the Client; (iv) liquidity considerations of the Client, including during a ramp-up or wind-down of the Client, proximity to the end of the Clients' specified term or investment period, any redemption/withdrawal requests, anticipated future contributions and available cash; (v) tax consequences; (vi) regulatory or contractual restrictions or consequences; (vii) avoiding a de minimis or odd lot allocation; (viii) availability and degree of leverage and any requirements or other terms of any existing leverage facilities; (ix) whether the investment meets eligibility criteria in connection with a securitization strategy pursued by a Client or other similar financing objectives; (x) the Clients' investment focus on a classification attributable to an investment or issuer of an investment, including, without limitation, investment strategy, geography, industry or business sector; (xi) the management of any actual or potential conflicts of interest associated with the investment (including conflicts relating to an investor in a fund); (xii) with respect to investments that are made available to Greystone Adviser by counterparties pursuant to negotiated trading platforms, the absence of such relationships which may not be available to the Client; and (xiii) any other considerations deemed relevant by Greystone Adviser in good faith and consistent with its fiduciary duty. These procedures could, in certain circumstances, limit whether or not an investment opportunity is available to Clients.

There can be no assurance, however, that the application of the foregoing allocation policies will result in the allocation of a specific investment opportunity to a Client or that a Client will participate in all investment opportunities falling within its investment objective. Such considerations may also result in allocations of certain investments among client accounts on other than a *pro rata* basis, but Greystone Adviser expects to offer an appropriate investment opportunity to its clients.

ITEM 13. REVIEWS OF ACCOUNTS

As discussed in Item 8 above, Greystone Adviser monitors each of the investments it makes on behalf of the Clients on an ongoing and continuous basis.

Generally, as set forth in the Governing Documents, on a quarterly basis, investors in each Client receive written financial reports, including an unaudited balance sheet, a statement of net income or net loss, a statement of changes in financial position or a cash flow statement, and a supplemental statement of such investor's capital account. On an annual basis, investors in each Client also receive audited financial statements of such Client, valuations of all of such Client's investments, and tax information necessary for the completion of U.S. tax returns.

ITEM 14. CLIENT REFERRALS AND OTHER COMPENSATION

Greystone Adviser does not receive economic benefits from non-Clients for providing investment advice and other advisory services. Neither Greystone Adviser nor any affiliate, directly or indirectly, compensates any individual who is not an employee for investor referrals.

Greystone Adviser enters into placement agreements with placement agents (each, a "Placement Agent") and each such agreement, a "Placement Agreement"), pursuant to which a Placement Agent agrees to introduce potential investors in a Client to Greystone. Pursuant to the terms of any such Placement Agreement, the applicable Client would typically pay the Placement Agent a placement fee equal to a percentage of the aggregate capital commitments made by each investor introduced to Greystone by the Placement Agent. Prospective investors should be aware that a Placement Agent is subject to certain conflicts of interest, including an incentive to recommend a Client over other investment opportunities due to the fact that the Placement Agent is being compensated in connection with any investors that it successfully refers to Greystone.

ITEM 15. CUSTODY

Greystone Adviser will conduct all business operations in such a way that Client cash and securities, other than privately offered, non-certificated securities, will be preserved in the safekeeping of independent qualified custodians.

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With respect to each Client, an independent public accountant audits such Client's financial statements annually, and the audited financial statements are distributed to the investors of such Client.

ITEM 16. INVESTMENT DISCRETION

Greystone Adviser provides investment advice to Clients, subject to the direction of Greystone Adviser's Investment Committee and its affiliates, but not individually to the underlying Investors in a Fund or noteholders of the CLOs. Investment restrictions or limitations for a Fund or CLO, if any, will generally be established in the applicable Governing Documents. The Adviser has entered (and will enter) into agreements, or "side letters," with certain Fund investors whereby such investors will have certain rights, including the right to opt-out of particular investments.

As mentioned in Item 10. of this brochure, Greystone Adviser and Monticello are co-investment managers to certain Greystone Monticello Funds. Discretionary authority as it relates to the Greystone Monticello Funds (of which Greystone Adviser may be a co-investment manager) is determined by the investment management agreement between Monticello, Greystone Adviser and the individual Greystone Monticello Fund, although it is anticipated that Monticello and Greystone Adviser will collectively exercise any discretionary investment management authority with respect to such co-managed Greystone Monticello Funds.

ITEM 17. VOTING CLIENT SECURITIES

As the CLOs and the Fund focus on bridge loan products, the voting of proxies is generally not an operational concern. In the event that Greystone Adviser does have, or accepts, authority to vote client proxies, its activity would be in accordance with the protocol established in Greystone Adviser's compliance policies and procedures. As part of Greystone Adviser's management obligations, it may be required to vote proxies on equity securities held in Client portfolios (unless the client assumes that responsibility). In accordance with applicable law, including Rule 206(4)-6 promulgated under the Advisers Act, Greystone Adviser has procedures in place to govern how such proxies are voted. The policies and procedures address the handling of conflicts of interest that may arise in the voting of proxies. The Adviser's vote on any matter, if such a need arises, will be recorded and kept on file in its office. Clients may request to see how any proxy has been voted, as well as an explanation for such vote. Requests for an explanation of votes, or for a copy of Greystone Adviser's proxy voting policies and procedures, should be sent to the address listed on the cover page.

ITEM 18. FINANCIAL INFORMATION/CONDITION

Greystone Adviser is not aware of any financial conditions that are reasonably likely to impair its ability to meet its contractual obligations to its Clients. Greystone Adviser is not, and never has been, the subject of a bankruptcy petition.

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For further information please contact

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Concerning communications with clients; Additional Information

Greystone Adviser seeks to communicate with investors in the most efficient manner possible. To that end, Greystone Adviser intends to use e-mail to communicate with investors in lieu of paper mail, unless otherwise requested. Investors should expect all communications to be effected electronically once they have provided preferred e-mail addresses and appropriate consents to an authorized Greystone Adviser representative. Investors may be asked to provide consent to the receipt of regulatory disclosures or other documents, statements and other information in electronic form, and are urged to provide such consents, as this will accelerate the receipt of important information.

Additional information about Greystone, you are invited to visit www.greyco.com. After reviewing the site, if you have questions, please feel free to contact any person listed in this document.