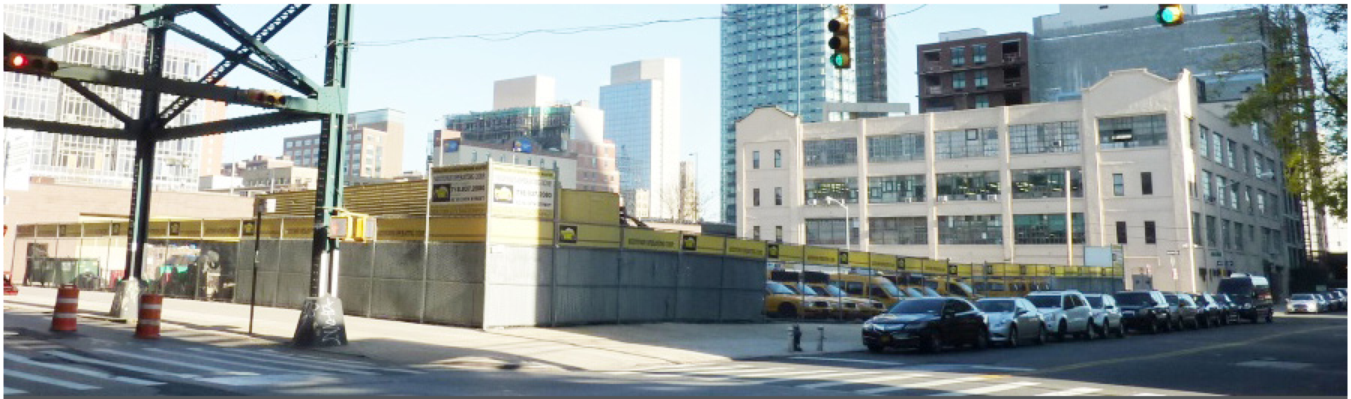


LAND AND BUILDING, LONG ISLAND CITY, NY

Senior Loan:	**$50.6 million***
Term:	**18 months with one six-month extension**
Interest Rate:	**9.25%**
Fees:	**1.25% exit fee, 0.75% extension fee**
Loan-to-Value Ratio:	**73%**

*Terra Income Fund 6 will hold an $8.587 million interest in the loan.

Location

The property securing this loan is located at 42-50 24th Street in Long Island City, directly across the East River from midtown Manhattan, in the borough of Queens. With eight subway routes passing through Long Island City, the area provides easy access to the greater New York City area. All subway stops are within walking distance from the property and many provide one-stop access to Manhattan. The Queens-Midtown Tunnel and the 59th Street (Ed Koch Queensboro) Bridge provide access by car. La Guardia Airport and JFK International Airport are within 15 minutes and 25 minutes, respectively.

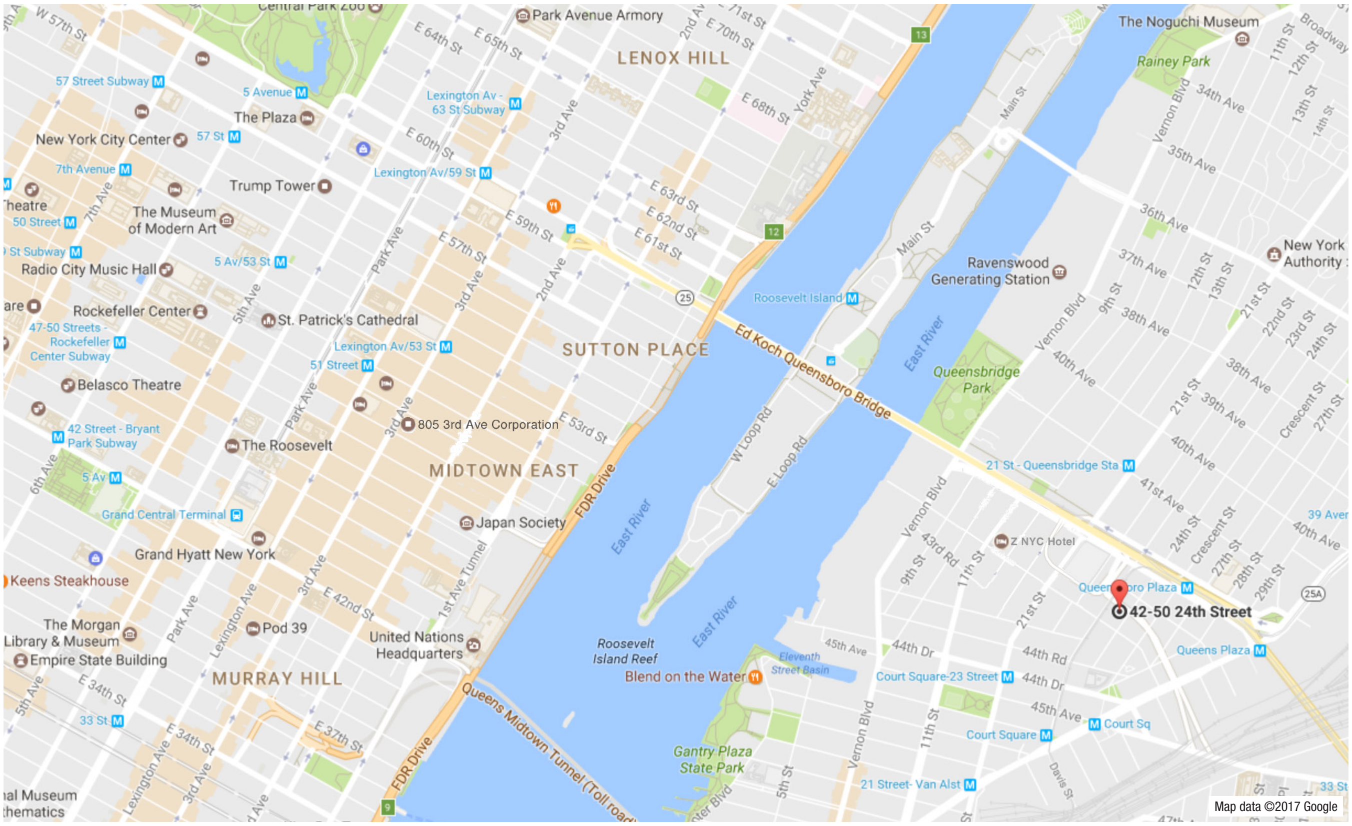
Long Island City's transformation began in 2001 when the Central Business District was rezoned to facilitate mixed-use development. As a result, developers have been attracted to Long Island City to develop office space at a significantly lower cost than midtown Manhattan. Many businesses are establishing corporate offices and headquarters in Long Island City. To date they include Citigroup, HSBC, JetBlue, Silvercup Studios, MetLife and Barclays. Over the last 10 years, Long Island City has transformed from a predominantly industrial neighborhood with scattered low- to middle-income homeowners into one of the most sought-after neighborhoods in the New York City market.

Property

Collateral for this loan is a parcel of land zoned for a 271,856 gross square foot, mixed-used development. Qualifying as an "as-of-right" development, it already complies with all applicable zoning regulations and does not require discretionary action by the New York City Planning Commission or the Board of Standards and Appeals.

The current borrower, a partnership of the Hakim Organization and PMG (whose principal, Kevin Maloney, is also a guarantor), acquired this property in December 2015 with a mezzanine loan from Terra and a senior loan from G4 Capital. They began prepping the site for construction of an apartment/condominium building while pursuing various options to increase the building's size and the property's value, including the acquisition of air rights and qualifying the project under New York State's 421-a tax abatement program. An up-zoning of Long Island City, that would increase the allowable size of the building to be built and thus the property's value, was and still is in process.

The owner/borrower, a partnership of Kevin Maloney's, PMG and Mr. Kamran Hakim, has advised Terra that (1) the anticipated up-zoning, that was to



be a source of significant value creation, is taking longer than expected; (2) the tenant on the site, a taxi operator, intends to stay at the property through its lease maturity in June 2018, making it impossible to commence the construction that would preserve the 421-A tax abatement; and (3) there is a fracturing of the partnership. As a result, the borrower has decided to market the property for sale and has hired Holiday Fenoglio Fowler (HFF), a major national broker, to do so. HFF was the broker for another nearby site the same partnership sold recently.

Opportunity

In November, the borrower, failed to replenish interest and tax reserves as required by both the senior and mezzanine loans, likely the result of the fractured partnership. This constituted an event of default, which triggered default interest on both the senior and mezzanine loans — an additional 8.75% on the senior loan and an additional 5% on the mezzanine loan. As guarantor, Mr. Maloney is personally liable for all interest and carrying costs. As of February 1, approximately $2.3 million in interest, late charges and fees have accrued on the senior and mezzanine loans.

During its original underwriting, Terra established that Mr. Maloney, the guarantor, had a net worth of $412 million and $10 million of liquidity. Mr. Maloney informed Terra that he would generate additional liquidity in 2016 from the sale of four condo developments. In fact, those condo unit sales have totaled almost $275 million, of which about $60 million would have flowed directly to Mr. Maloney, increasing his liquidity to $70 million, well beyond his guaranteed obligations and the principal owed under the senior and mezzanine loans.

In February, G4 Capital, the senior lender, disclosed to Terra it had been approached by groups interested in purchasing the senior loan at or above par. Terra itself was attracted to the return potential of the senior loan and, per its intercreditor agreement with G4, had first right to purchase it on favorable terms. Not only did Terra believe the purchase was economically attractive, but importantly it would also preclude the senior loan's acquisition by a predatory developer seeking to commence foreclosure as a means to acquire the property, potentially resulting in costly litigation and delay.

Despite the borrower's business plan encountering a delay, Terra believes that the property continues to be an attractive investment for prospective developers given its size, location and the potential for a significant up-zoning. Furthermore, the property was appraised in December 2016 for $69.2 million without consideration for a 421-A tax abatement. (The current 421-A tax abatement for the project is available through December 31, 2019. New York City is in the process of formulating a new 421-A tax abatement after that date.) Terra's last dollar of principal balance exposure is $65.6 million. Accordingly, Terra believes that both the senior loan and mezzanine loan and their respective debt service payments are fully collectible. Both loans are further secured by Mr. Maloney's personal guarantee of interest and carrying costs.

The Possibilities

The property may be sold in the near future. Assuming a sale at Terra's last dollar of $65.6 million (below the current appraisal) in spring 2017, the new developer's breakeven could be approximately $1,100 per square foot compared with the current owner/borrower's assumed sales at $1,400 per square foot — almost 30% higher. This analysis does not include any consideration for up-zoning, which could materially increase the size of the new property to be built on the site and accordingly its value.

It is conceivable the borrower will attempt to put the property into bankruptcy, but doing so would trigger a full-recourse, personal guarantee of principal under the senior and mezzanine loan agreements. As a result, Terra's security would include Mr. Maloney's net worth, which appears to be well in excess of the total financing, in addition to the property.

In order to transfer a deed in lieu (in lieu of paying off the loans or putting the property into bankruptcy) the borrower is required to deliver a Phase 1 environmental report and take personal responsibility for any requisite removal or remediation. That would be an expensive process for the borrower.

There is the possibility that through negotiation or other process, Terra Funds could end up owning this property. The acquisition cost could be approximately 80.5% of the original appraisal.

Bottom line: While there exists a possibility of legal hassle and delay, we believe the outcome will be positive for Terra — either through a full repayment of the senior and mezzanine loans or through ownership of a property with meaningful upside at an attractive basis.

- Terra believes that the property is an attractive investment for prospective developers given the size, location and availability of air rights for purchase. Over the past 10 years, Long Island City has transformed from a predominantly industrial neighborhood into one of the most sought-after residential neighborhoods in New York City. Vacancy rates have remained low despite upticks in new development.

- The property was appraised in December 2016 for a "base case" development without a tax abatement for $69 million. Terra's last dollar principal balance is currently $65.6 million. Accordingly, Terra believes the principal balance is fully collectible.

- New York State is in the process of writing legislation to renew the tax abatement program, originally enacted in 1971, which would significantly increase the property's value.

- Long Island City is considering neighborhood up-zoning, which would significantly increase the property's value.

- The guarantor of the senior and mezzanine loans has substantial liquidity and has provided an unconditional guarantee of all interest, fees, taxes and insurance premiums.

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TERRA INCOME FUND 6

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- An investment in Terra 6 is speculative and involves a high degree of risk.
- The interest rate on this loan is not necessarily an indication of the return or distributions an investor may receive. Investor returns will be reduced by expenses.
- You should not expect to be able to sell your shares regardless of how we perform.
- If you are able to sell your shares, you will likely receive less than your purchase price.
- We do not intend to list our shares on any national securities exchange during or for a significant time after the end of the offering, and we do not expect a secondary market in the shares to develop.
- We have implemented a share repurchase program, but only a limited number of shares are eligible for repurchase by us. In addition, any such repurchases will be at a 10% discount to the current offering price in effect on the date of repurchase.
- You should consider that you may not have access to the money you invest for an indefinite period of time.
- An investment in our shares is not suitable for you if you need access to the money you invest.
- Our distributions may be funded from unlimited amounts of offering proceeds or borrowings, which may constitute a return of capital and reduce the amount of capital available to us for investment. Distributions funded from a return of capital are not funded from our net profit. Any profits returned to stockholders through distributions will be distributed after payment of fees and expenses.
- We have not identified specific future investments that we will make with the proceeds of this offering and you will not have the opportunity to evaluate our investments prior to purchasing shares of our common stock. As a result, our offering may be considered a “blind pool” offering.