

Company name PRODIGYX Designated Activity Company
Headline Notice to Noteholders of Series 327

25 April 2024

THIS NOTICE IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

THIS NOTICE CONTAINS IMPORTANT INFORMATION OF INTEREST TO THE OWNERS OF THE NOTES. IF APPLICABLE, ALL DEPOSITARIES, CUSTODIANS AND OTHER INTERMEDIARIES RECEIVING THIS NOTICE ARE REQUESTED TO PASS THIS NOTICE TO SUCH OWNERS IN A TIMELY MANNER.

If you are in any doubt as to the action you should take, you are recommended to seek your own financial, legal or other advice immediately from your stockbroker, bank manager, solicitor, accountant or other appropriately authorised independent financial adviser.

If you have recently sold or otherwise transferred your entire holding(s) of the Notes referred to below, you should immediately forward this document to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

NOTICE FROM THE ISSUER TO NOTEHOLDERS

PRODIGYX Designated Activity Company
(the “**Issuer**”)

1400 N Orleans Series III (IE) (Series 327) Notes due 2029
ISIN: XS1936108973 COMMON CODE: 193610897
(the “**Notes**” or the “**Series**” and the holders thereof the “**Noteholders**”)

Capitalised terms used but not otherwise defined in this notice shall have the meanings ascribed to them in the Series Memorandum in relation to the Notes dated 18 January 2019 and the Conditions of the Notes as the same may be amended and / or supplemented from time to time.

This notice is being issued pursuant to Condition 2.2 and its purpose is to inform Noteholders that the Issuer, in consultation with the Arranger, the Calculation Agent and the Charged Assets Realisation Agent has determined that a Mandatory Redemption Event has occurred in accordance with the Conditions of the Notes and that the Calculation Agent has determined that the Early Redemption Amount is zero (0).

Noteholders are advised to pay particular attention to this notice and to discuss the information herein with their advisers. This notice sets forth the Mandatory Redemption Event process. It also explains how Noteholders may invoke an Extraordinary Resolution that allows them to prefund certain activities for the Issuer as described herein and postpone the date for the mandatory redemption to occur.

BACKGROUND

The Issuer used the proceeds from the issuance of the Notes to (i) invest in Class B-1 and Class B-2 common stock of 1400 N Orleans NewCo, Inc. (the “**Borrower**”), a Delaware corporation with registered office at 160 Greentree Drive, Suite 101, in the City of Dover, County of Kent, 19904, USA, and (ii) make a secured loan to the Borrower (the “**Loan**”). Clause 7 of the Series Memorandum notes that the Class B-1 and Class B-2 common stock and the Loan and their related rights comprise the Charged Assets of the Series.

On 25 March 2021, the Borrower filed a voluntary petition for bankruptcy pursuant to Chapter 7 of Title 11 of the United States Code (the “**Bankruptcy Filing**” or “**Bankruptcy Proceeding**”). Pursuant to a notice to Noteholders dated 27 December 2021 (the “**December 2021 Notice**”, appended hereto as Appendix I), the Issuer informed Noteholders, amongst other things, that:

1. the Borrower had made the Bankruptcy Filing; and
2. the view of the Calculation Agent at the time of the December 2021 Notice was that the Issuer was highly unlikely to receive any proceeds from the Bankruptcy Proceeding, meaning that it was highly likely that the Issuer would not be able to make any payments to Noteholders in respect of their Notes.

Please see the December 2021 Notice for further details with respect to the above.

MANDATORY REDEMPTION EVENT

Because, as explained below, the Loan is a Charged Asset that has “become capable of being declared due and payable,” a Mandatory Redemption Event has occurred.

The Master Conditions (the “**Master Conditions**”) and the Special Conditions (the “**Special Conditions**”) provide for the occurrence of certain events or circumstances that may constitute a Mandatory Redemption Event or an Additional Mandatory Redemption Event (each, a “**Mandatory Redemption Event**”).

Special Condition 5.6.1(B)(a) provides that a Mandatory Redemption Event will occur if:

*“(a) the Charged Assets or amounts outstanding thereunder become due and repayable, or **become capable of being declared due and repayable**, prior to their stated date of maturity or other date or dates for their repayment or payment.”*
(Emphasis added.)

Clause 8 of the Loan and Security Agreement lists various events of default, including if the Borrower commences “a case under or otherwise seek(s) to take advantage of any bankruptcy, reorganization, [or] insolvency[,]” or if the Borrower “becomes a debtor in any case under any chapter of the Bankruptcy Code, and if the petition shall not be discharged or dismissed within sixty (60) days after the date on which such petition was filed.”

The Borrower made the Bankruptcy Filing in March 2021, and the Bankruptcy Proceeding remains open, both of which constitute an “Event of Default” (as defined in the Loan and Security Agreement and, hereinafter, a “**Loan and Security Agreement Event of Default**”). Clause 9 of the Loan and Security Agreement provides various remedies which are available following the occurrence of a Loan and Security Agreement Event of Default, including declaring the Loan, all accrued and unpaid interest, and all other Obligations (as defined therein) “*immediately due and payable and the same shall thereupon become immediately due and payable without presentment, demand or protest, all of which are hereby expressly waived.*”

Since Clause 7 of the Series Memorandum lists the Loan and its related rights as part of the Charged Assets of the Series, and the Loan is a Charged Asset that has “become capable of being declared due and payable” pursuant to Special Condition 5.6.1(B)(a), a Mandatory Redemption Event has occurred.

FAIR VALUE OF NOTES

Following a Mandatory Redemption Event, an early redemption amount for the notes must be determined. Special Condition 5.4.2(A) provides that in the event of “*the Notes becoming due and payable pursuant to Condition 2.2 (Mandatory Redemption), the Charged Assets Realisation Agent shall, on behalf of the Issuer sell or procure the sale or other means of realisation of the Charged Assets and the applicable amount payable in respect of each Note will be the pro rata share of the Net Proceeds of such sale or other means of realisation*” (such amount being the “**Early Redemption Amount**”).

The Charged Assets Realisation Agent has not been able to sell or procure the sale or other means of realisation of the Charged Assets, although it has filed a claim in the Bankruptcy Proceeding, as described below. On the basis of the Borrower Bankruptcy and the Borrower Delinquent Taxes (as defined in the December 2021 Notice), the Calculation Agent, after consulting with the Arranger and Charged Assets Realisation Agent, took reasonable steps to determine the value, if any, remaining in the Charged Assets. The Calculation Agent has certified to the Issuer that the Common Stock and the Loan Transaction Documents currently have a fair value of zero (0), so that, following the Maturity Date, there will be no Realisable Value in respect of the Charged Assets, the Net Proceeds will be nil, and the Early Redemption Amount of the Notes will be zero (0).

The Calculation Agent has relied on publicly available information in making its determination. It has not received any information from the Borrower besides that already noted in the December 21 Notice, nor has it received sufficient information, including from the bankruptcy trustee, that would allow it to determine if the Bankruptcy Proceeding will lead to the recovery of any value for Noteholders.

While the Calculation Agent has determined the Issuer is highly unlikely to receive any proceeds from the Bankruptcy Proceedings, the Issuer did file a claim in the Bankruptcy Proceeding. If there are any proceeds received from the Bankruptcy proceedings, such amounts will be distributed pro-rata to Noteholders, net of any taxes, fees, and expenses the Issuer may be liable or become liable for. Where the Notes have already been redeemed at the time that any distribution following a recovery in the Bankruptcy Proceeding is made, the making of any such distribution shall be subject to the Calculation Agent having received appropriate contact information from Noteholders (as described below) as distributions through the Clearing Systems will not be possible once the Notes have been redeemed.

Please note that while the Issuer has filed a claim in the Bankruptcy Proceeding, it has not been in a position to hire counsel or other professionals to represent it in the proceeding and has not received any material information or updates from the bankruptcy trustee. The Issuer is only able to hire legal representation in the Bankruptcy Proceeding if its legal fees and costs are prefunded, as noted in the following Section.

EXTRAORDINARY RESOLUTION

Special Condition 5.6.1(B) provides that after a Mandatory Redemption Event as set out therein has occurred, Noteholders may invoke an Extraordinary Resolution to elect that “*no mandatory redemption shall occur until the deadline specified in the relevant Extraordinary Resolution has passed.*” Condition 6.3 states that the threshold for passing an Extraordinary Resolution is seventy-five percent (75%) or more in principal amount of the Notes.

The Borrower is in bankruptcy, and the Issuer has filed a claim in the Bankruptcy Proceeding. Noteholders may be desirous of hiring or arranging for the Issuer to hire professionals, in particular bankruptcy counsel, to actively represent the Issuer during the Bankruptcy Proceeding. Should Noteholders want the Issuer to hire any relevant professionals, because the Issuer has no other source of funds in relation to this Series, they will have to prefund the estimated legal fees and costs associated with such representation. The Extraordinary Resolution process provides the Noteholders with the opportunity to make the above determinations.

The Calculation Agent has estimated the legal fees and costs associated with hiring bankruptcy counsel and other professionals for the Bankruptcy Proceeding to be at least one-hundred thousand dollars (\$100,000) (the “**Prefunding Amount**”). Noteholders will remain responsible for funding further amounts should they become necessary and any Noteholders wishing to pursue the above described course of action may be required to enter into an agreement committing to such. If, at the conclusion of the Bankruptcy Proceeding, any Prefunding Amounts have not been used, those amounts will be returned pro-rata to Noteholders who contributed to the Prefunding Amount.

NOTEHOLDERS HAVE THIRTY (30) DAYS FROM THE DATE OF THIS NOTICE (SUCH PERIOD THE “INTEREST NOTIFICATION PERIOD”) TO CONTACT THE CALCULATION AGENT AT THE EMAIL ADDRESS BELOW TO REGISTER THEIR INTEREST IN INVOKING AN EXTRAORDINARY RESOLUTION TO POSTPONE THE MANDATORY REDEMPTION EVENT FOR THE PURPOSE OF VOTING ON WHETHER TO PREFUND AND HIRE ANY RELEVANT PROFESSIONALS, INCLUDING BANKRUPTCY COUNSEL, TO REPRESENT THE ISSUER IN THE BANKRUPTCY PROCEEDING AND SET AN ALTERNATIVE DATE FOR THE MANDATORY REDEMPTION.

ANY INTERESTED NOTEHOLDERS SHOULD EMAIL THE CALCULATION AGENT AT THE EMAIL ADDRESS PROVIDED BELOW WITH THE SUBJECT LINE “S327 MANDATORY REDEMPTION EVENT” AND PROVIDE THEIR NAME, CONTACT INFORMATION, THE AMOUNT THEY HOLD IN NOTES (ACCOMPANIED BY A BROKERAGE STATEMENT OR OTHER EVIDENCE OF SUCH HOLDING), ACKNOWLEDGE THE PRE-FUNDING REQUIREMENT, SIGNAL THEIR WILLINGNESS TO CONTRIBUTE TO THE NECESSARY PREFUNDING, AGREE TO WORK WITH OTHER NOTEHOLDERS TO PROVIDE THE PREFUNDING AMOUNT, AND AGREE TO DISCLOSE THEIR CONTACT DETAILS TO OTHER NOTEHOLDERS SO THAT THEY CAN COORDINATE APPROPRIATE FURTHER ACTIONS.

IF ANY INTERESTED NOTEHOLDERS RESPOND, WITHIN FIVE (5) DAYS FOLLOWING THE END OF THE INTEREST NOTIFICATION PERIOD, THE CALCULATION AGENT WILL CONTACT THEM TO COORDINATE THE DETAILS OF THE EXTRAORDINARY RESOLUTION. THE CALCULATION AGENT WILL USE REASONABLE EFFORTS TO FACILITATE AN EXTRAORDINARY RESOLUTION IN THE ABOVE CIRCUMSTANCES BUT IS NOT RESPONSIBLE FOR SUCH EXTRAORDINARY RESOLUTION BEING FINALIZED.

NOTEHOLDERS WILL THEN HAVE AN ADDITIONAL THIRTY (30) DAYS TO COORDINATE AMONG THEMSELVES AND WITH THE CALCULATION AGENT THE FINALIZATION OF THE EXTRAORDINARY RESOLUTION. WITHIN FIVE (5) DAYS OF THE EXTRAORDINARY RESOLUTION BEING FINALIZED, IT WILL BE DISSEMINATED TO NOTEHOLDERS.

IF AN EXTRAORDINARY RESOLUTION IS SOUGHT, THE MANDATORY REDEMPTION EVENT WILL BE DELAYED UNTIL NOTEHOLDERS VOTE ON IT. IF THE EXTRAORDINARY RESOLUTION PASSES, THE MANDATORY REDEMPTION EVENT WILL TAKE PLACE ON THE DATE SPECIFIED THEREIN IN COMPLIANCE WITH CONDITION 5.6.1(B). IF THE EXTRAORDINARY RESOLUTION DOES NOT PASS, THE MANDATORY REDEMPTION EVENT WILL OCCUR NO LESS THAN THIRTY (30) AND NO MORE THAN SIXTY (60) DAYS FROM THE DEADLINE FOR VOTING SPECIFIED IN THE EXTRAORDINARY RESOLUTION.

IN THE EVENT THAT NO EXTRAORDINARY RESOLUTION IS SOUGHT, FOR ANY REASON, THE NOTES SHALL BE REDEEMED AT ZERO (0) NO LESS THAN FIVE (5) AND NO MORE THAN FIFTEEN (15) DAYS AFTER EITHER (I) THE END OF THE INTEREST NOTIFICATION PERIOD WHERE NO RESPONSES FROM NOTEHOLDERS INDICATING INTEREST IN INVOKING THE EXTRAORDINARY RESOLUTION HAVE BEEN RECEIVED, OR (II) THE SUBSEQUENT 30-DAY PERIOD PROVIDING FOR COORDINATION OF THE EXTRAORDINARY RESOLUTION HAS EXPIRED WITH NO EXTRAORDINARY RESOLUTION HAVING BEEN FINALISED.

Should the Bankruptcy Proceeding result in any recovered value, Noteholders will, to the extent that they have provided contact details as set out herein (where the Notes have already been redeemed prior to the relevant distribution being made), receive a pro-rata distribution of that value, after the prefunding Noteholders (if any) are first reimbursed for the prefunding amount, if applicable, and after the deduction of any taxes, fees, costs and expenses.

The Issuer shall be entitled to withhold any amounts distributed to account for any tax or expense that it deems may be levied against it in respect of such distribution.

FURTHER INFORMATION

For further information with regard to this notice, please contact:
FlexFunds ETP LLC
noteholder.support@flexfunds.com

APPENDIX I
DECEMBER 2021 NOTICE

Company name PRODIGYX Designated Activity Company
Headline Notice to Noteholders of Series 327

29 December 2021

THIS NOTICE IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

THIS NOTICE CONTAINS IMPORTANT INFORMATION OF INTEREST TO THE OWNERS OF THE NOTES (AS DEFINED BELOW). IF APPLICABLE, ALL DEPOSITARIES, CUSTODIANS AND OTHER INTERMEDIARIES RECEIVING THIS NOTICE ARE REQUESTED TO PASS THIS NOTICE TO SUCH OWNERS IN A TIMELY MANNER.

If you are in any doubt as to the meaning of this notice, you are recommended to seek your own financial, legal or other advice immediately from your stockbroker, bank manager, solicitor, accountant or other appropriately authorised independent financial adviser.

If you have recently sold or otherwise transferred your entire holding(s) of the Notes, you should immediately forward this document to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

NOTICE FROM THE ISSUER TO NOTEHOLDERS

PRODIGYX Designated Activity Company
(the “**Issuer**”)

1400 N Orleans Series III (IE) (Series 327) Notes due 2029
ISIN: XS1936108973 COMMON CODE: 193610897
(the “**Notes**” or the “**Series**” and the holders thereof the “**Noteholders**”)

Capitalised terms used but not otherwise defined in this notice shall have the meanings ascribed to them in the Series Memorandum dated 18 January 2019 and the Conditions of the Notes as the same may be amended and / or supplemented from time to time.

The purpose of this notice is to provide Noteholders with an update on the value of the Notes and the Charged Assets for the Notes, being the Common Stock and the Loan Transaction Documents (as defined below) and, if any, certain related rights, agreements and assets.

BACKGROUND

Unless an extension takes place as provided for in the Conditions of the Notes, the Notes will mature on 30 March 2029 (the “**Maturity Date**”).

Investment of Note Proceeds

The Issuer used: (i) 75% of the net proceeds of the issuance of the Notes to advance a secured loan (the “**Loan**”) to 1400 N Orleans NewCo, Inc. (the “**Borrower**”) pursuant to the Loan Transaction Documents (as defined below); and (ii) 25% of the net proceeds of the issuance of the Notes to invest in Class B-1 and Class B-2 common stock of the Borrower (the “**Common Stock**”).

The Loan Transaction Documents are comprised of: (i) the loan and security agreement dated 25 September 2018 between the Borrower and Prodigy Network, LLC (“**Prodigy**”) (as agent), pursuant to which the Issuer has acceded in the capacity of lender, in relation to, inter alia, the advance of the Loan and any other loan agreement entered into or acquired by the Issuer from time to time in respect of the Notes (the “**Loan and Security Agreement**”); (ii) the promissory note dated 25 September 2018 executed and delivered by the Borrower in connection with the Loan and Security Agreement; and (iii) the Security Agreement dated 25 September 2018 executed and delivered by the Borrower in connection with the Loan and Security Agreement (as each may be amended, restated, supplemented, varied, assigned, novated, or otherwise from time to time) (the “**Loan Transaction Documents**”).

All proceeds received by the Borrower through the issuance of secured loans and Common Stock were contributed to the capital of 1400 N Orleans Master Series of Prodigy Shorewood Master REP Fund, LLC (the “**Company**”) in return for Master Preferred Interests in the Company. Prodigy is the investment manager of the Borrower.

The Private Placement Memorandum and the Supplement (Appendix 2 to the Series Memorandum) specify that the Company created the 1400 N Orleans Master Series in connection with an indirect investment in 1400 N Orleans Street, Chicago, Illinois 60610 (the “**Property**”).

Between March 2019 and April 2019, the Issuer invested the net proceeds of the Series equal to \$5,912,000 (US\$4,434,000 Loan and US\$1,478,000 Common Stock) into the Borrower.

The value of the Notes, and the Issuer’s ability to make payments under the Notes, is therefore affected by the financial condition and performance of the Borrower and Prodigy. Prodigy is the investment manager of the Borrower, and a failure by Prodigy to comply with its obligations may also have a negative impact on the value of the Notes. This notice sets out some important information about the Borrower and Prodigy that could impact an investment in the Notes.

Bankruptcy of the Borrower and Prodigy

On 25 March 2021 the Borrower filed a voluntary petition for bankruptcy pursuant to Chapter 7 of Title 11 of the United States Code. (the “**Borrower Bankruptcy**”).

The bankruptcy trustee will seek to realise value from the assets of the Borrower, on behalf of the Borrower’s creditors in accordance with applicable bankruptcy laws, which include the Issuer.

The Issuer has filed a proof of claim in the Borrower Bankruptcy but is not in a position to confirm when this process will be completed. The Calculation Agent has informed the Issuer that it is highly unlikely that the Issuer will recover any proceeds from the Borrower Bankruptcy.

On 25 March 2021 Prodigy filed a voluntary petition for bankruptcy pursuant to Chapter 7 of Title 11 of the United States Code (the “Prodigy Bankruptcy”). The Issuer has not filed a proof of claim in the Prodigy Bankruptcy as it has not invested in Prodigy in respect of the Series. However, as noted above, Prodigy is the investment manager of the Borrower.

Borrower Delinquent Taxes

According to the Delaware Division of Corporations, the Borrower has the status as of 22 May 2020 of AR delinquent, Tax due. This represents a corporation that has not filed the required annual report and there are delinquent taxes due.

Fair Value of the Notes

The calculation of the Net Proceeds following the Maturity Date is dependent on the determination of the Realisable Value. The Realisable Value consists of an amount determined by the Calculation Agent, being the proceeds of sale or other means of realisation of the Charged Assets less any costs, expenses, taxes and duties incurred in connection with the disposal or transfer of the Charged Assets by the Charged Assets Realisation Agent. The fair value of the Charged Assets (consisting of the Common Stock and the Loan Transaction Documents) is the basis upon which the Calculation Agent determines the Realisable Value.

On the basis of the Borrower Bankruptcy and the Borrower Delinquent Taxes, the Calculation Agent has informed the Issuer that it has determined that the Common Stock and the Loan Transaction Documents currently have a fair value of zero, so that, following the Maturity Date, there will be no Realisable Value in respect of the Charged Assets, the Net Proceeds will be nil and the Redemption Amount of the Notes is therefore likely to be zero. Accordingly, the Calculation Agent considers that, following the Maturity Date, it is highly likely that the Issuer will not be in a position to make any payments to Noteholders in respect of their Notes.

To the extent that the Issuer receives sufficient proceeds from the Borrower Bankruptcy to discharge any prior ranking amounts (including fees, costs and expenses), it is possible that the Realisable Value may be greater than zero. However, the view of the Calculation Agent is that the Issuer is highly unlikely to receive any proceeds from the Borrower Bankruptcy. Assuming that this is the case, it is likely that the Issuer will provide further information to the Noteholders once available.

For purposes of the Calculation Agent’s analysis, the standard of value is fair value. The International Financial Reporting Standards (“IFRS”) Standard 13 defines “fair value” as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (an exit price). When measuring fair value, an entity uses the assumptions that market participants would use when pricing the asset or the liability under current market conditions, including assumptions about risk. As a result, an entity’s intention to hold an asset or to settle or otherwise fulfill a liability is not relevant when measuring fair value.

Next Steps

The Issuer, in consultation with the Arranger and the Calculation Agent, is considering the next steps in light of the events and circumstances described above. In addition to the proof of claim in the Borrower Bankruptcy as described above, this may include (i) not taking any further action for the time being in the event that additional information may transpire that may affect the fair value of the Charged Assets, or that further potential action may be available to the Issuer against any party to recover some of the Note Proceeds or (ii) exercising an early redemption of the Notes in accordance with the Conditions of the Notes, whereby such Notes may have a Redemption Amount of zero. The Issuer will provide further information to the Noteholders once available.

This Notice has not been formulated by the Trustee who expresses no view on it and the Trustee expresses no opinion as to the actions (if any) the Noteholders may take in respect of this Notice. The information contained herein has not been independently verified by the Trustee and the Trustee makes no representation that all relevant information has been disclosed to Noteholders in or pursuant to this Notice. In accordance with normal practice, the Trustee expresses no view as to the truth, veracity, accuracy or completeness of the contents of this Notice. Accordingly, the Trustee recommends that Noteholders consider seeking their own financial, tax, accounting, investment and legal advice in respect of this Notice.

No responsibility or liability is or will be accepted by the Trustee in relation to the accuracy or completeness of this Notice or any other written or oral information made available to any person receiving this Notice or its advisers and any such liability is expressly disclaimed. This Notice is made without prejudice to any and all of the Trustee's rights under the Conditions of the Notes and the transaction documents relating to the Notes, all of which are expressly reserved.

PROPOSED ACTION

This notice is for informational purposes only.

Further Information

For further information regarding the Charged Assets, please contact the investment manager:

Prodigy Network, LLC
investorrelations@prodigynetwork.com

For further information with regard to the Notes, please contact:

FlexFunds LTD
noteholder.support@flexfunds.com