FORM OF BORROWER PAYMENT DEPENDENT NOTE

OFFERS AND SALES OF THESE SECURITIES WERE MADE UNDER AN EXEMPTION FROM REGISTRATION AND HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933. FOR A PERIOD OF SIX MONTHS FROM THE DATE OF THE SALE BY THE ISSUER OF THESE SECURITIES, ANY RESALE OF THESE SECURITIES (OR THE UNDERLYING SECURITIES IN THE CASE OF CONVERTIBLE SECURITIES) SHALL BE MADE ONLY TO PERSONS RESIDENT WITHIN THE STATE OR TERRITORY OF TEXAS.

FOR PURPOSES OF SECTIONS 1272, 1273 AND 1275 OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED, THIS BORROWER PAYMENT DEPENDENT NOTE (THIS "NOTE") IS BEING ISSUED WITH ORIGINAL ISSUE DISCOUNT ("OID") BECAUSE PAYMENTS ON THIS NOTE ARE DEPENDENT ON PAYMENTS ON THE CORRESPONDING BORROWER LOAN. THE ISSUE PRICE, AMOUNT OF OID AND YIELD TO MATURITY OF THIS NOTE WILL BE DETERMINED UNDER APPLICABLE U.S. FEDERAL INCOME TAX RULES BASED ON THE FINAL TERMS AND PURCHASE PRICE FOR THIS NOTE, INCLUDING ANY DISCOUNT OR PROMOTIONAL PRICING REFLECTED IN THE APPLICABLE OFFERING DOCUMENTS, SUBSCRIPTION TERMS, SERIES REPORT OR SERIES SUPPLEMENT. THE ISSUE DATE IS THE ORIGINAL ISSUE DATE. UPON REQUEST, THE COMPANY WILL PROMPTLY MAKE AVAILABLE TO THE HOLDER THE AMOUNT OF OID AND YIELD TO MATURITY OF THIS NOTE. A HOLDER SHOULD CONTACT LIVE OAK FINANCIAL SUPPORT AT CONTACT@LIVE-OAK-FINANCIAL.COM.

BORROWER PAYMENT DEPENDENT NOTE SERIES NO.__________ [1]

LIVE OAK FINANCIAL FUNDING LLC

No._________ [CUSIP_________]

HOLDER:________________ [2]

CORRESPONDING BORROWER LOAN:_______________ [3]

STATED PRINCIPAL AMOUNT OF THIS NOTE: U.S. $______________ [4]

AGGREGATE PRINCIPAL AMOUNT OF THIS SERIES OF NOTES: U.S. $____________ [5]

INTEREST RATE:_______ [6]

FEES DEDUCTED FROM BORROWER LOAN PAYMENTS: Servicing Fee: ten percent (10%) of the Interest Portion of each Borrower Loan Payment actually received by or on behalf of the Company; Administration Fee: five percent (5%) of the Interest Portion of each Borrower Loan Payment actually received by or on behalf of the Company. [7]

ORIGINAL ISSUE DATE:____________ [8]

INITIAL MATURITY DATE:___________ [9]

FINAL MATURITY DATE:_______________ [10]

EXTENSION OF MATURITY DATE: This Note will mature on the Initial Maturity Date, unless the maturity of this Note is extended to the Final Maturity Date as described below. In no event will the maturity of this Note be extended beyond the Final Maturity Date.

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1 Insert loan ID Number for Corresponding Borrower Loan.

2 Insert investor identification number.

3 Insert description of Corresponding Borrower Loan.

4 Insert principal amount of investor's corresponding Note.

5 Insert aggregate principal amount of Corresponding Borrower Loan.

6 Insert final yield percentage.

7 The Servicing Fee and Administration Fee apply only to the Interest Portion of Borrower Loan Payments actually received, not to principal, fees, charges, costs or expenses. "Interest Portion" has the meaning assigned in the Indenture.

8 Insert date corresponding to date of funding Corresponding Borrower Loan.

9 Insert date corresponding to stated maturity of Corresponding Borrower Loan.

10 Insert date that is one hundred twenty (120) days after the stated maturity of Corresponding Borrower Loan.

PAYMENT DATES.

Subject to the limitations on payment described below and in the Indenture, the Company will pay, or cause the Servicer or Paying Agent to pay, principal and interest on the applicable Payment Dates from the Collection Account. Generally, the Payment Dates for this Note will fall on the third (3rd) Business Day after the corresponding Borrower Loan Payment is received by or on behalf of the Company, subject to non-Business Days and ordinary payment processing, settlement, reversal and ACH return periods. Scheduled payment dates for the Corresponding Borrower Loan are generally monthly and are based on the date the Borrower Loan was made. The Company will remit as promptly as practicable following receipt or required deposit of Borrower Loan Net Payments.

Live Oak Financial Funding LLC, a Texas limited liability company (herein called the “Company”), for value received, promises to pay to the Person identified as the “Holder” above (the “Holder”), in U.S. dollars, the Holder’s pro rata share of Borrower Loan Net Payments received by or on behalf of the Company with respect to the Corresponding Borrower Loan and payable on each Payment Date, in accordance with the payment schedule for this Note made available through the Holder’s account page on the Platform, until the Initial Maturity Date or, if extended, until the Final Maturity Date.

For the avoidance of doubt, (1) no principal or interest is due on this Note unless Borrower Loan Payments on the Corresponding Borrower Loan have been received by or on behalf of the Company and have been deposited, or are required under the Program Documents to be deposited, into the Collection Account, and the amount is a Borrower Loan Net Payment payable to the Holder; (2) the Borrower’s failure to pay the Corresponding Borrower Loan is not, by itself, a Default or Event of Default; and (3) except for repurchase, indemnification or other obligations expressly stated in this Note or the Offering Documents, the Holder’s recourse for scheduled payments is limited to Borrower Loan Net Payments received on the Corresponding Borrower Loan and, after an Event of Default, to proceeds of the Collateral allocated to this Note or series and collected and applied by the Indenture Agent under Article V of the Indenture.

Subject to certain exceptions provided in the Indenture referred to below, the principal and interest payable on any Payment Date will be paid to the person in whose name this Note is registered at the close of business on the Record Date next preceding such Payment Date.

“Record Date” shall mean the second Business Day immediately preceding each Payment Date (unless otherwise specified in the Indenture or the related Series Report for this series).

“Business Day” means each Monday, Tuesday, Wednesday, Thursday and Friday that is not a day on which the ACH System is closed and not a day on which banking institutions are authorized or required by law or executive order to close in Austin, Texas or in the Account Bank City.

If, on the Initial Maturity Date, no principal or interest payments in respect of the Corresponding Borrower Loan remain due and payable to the Company, this Note will mature on the Initial Maturity Date and the Company will have no obligation to pay Borrower Loan Net Payments received after that date with respect to the Corresponding Borrower Loan.

If amounts remain due to the Company on the Corresponding Borrower Loan on the Initial Maturity Date, the maturity of this Note will automatically extend to the Final Maturity Date. After the Final Maturity Date, the Company has no obligation to pay additional amounts on this Note even if the Company or Servicer later receives payments or recoveries on the Corresponding Borrower Loan.

All payments of principal and interest on this Note due to the Holder hereof shall be made in U.S. dollars, in immediately available funds, by electronic funds transfer (including through one or more payment processors) to the Holder’s designated account or other payment method on file with the Company or its designee.

All U.S. dollar amounts used in or resulting from the calculation of amounts due in respect of this Note shall be rounded to the nearest cent (with one-half cent being rounded upward). This Note is one of a duly authorized series of Borrower Payment Dependent Notes (the “Notes”) issued or to be issued under the Borrower Payment Dependent Notes Indenture, dated as of [•] (as amended, supplemented or replaced in accordance with its terms, the “Indenture”), between the Company and [•], not in its individual capacity except as expressly provided therein, as indenture agent, collateral agent, secured party and representative of the Holders (the “Indenture Agent”). Reference is made to the Indenture for the rights and obligations of the Company and Holders and for the limited contractual role, duties, protections and liabilities of the Indenture Agent. The Indenture is not qualified under the Trust Indenture Act of 1939, no provision of the Trust Indenture Act is incorporated by reference, and the Indenture Agent is not acting as a Trust Indenture Act-qualified trustee or institutional trustee. As provided in the Indenture, Notes may be issued in one or more series corresponding to Borrower Loans, with series-specific terms stated in the applicable Note, Series Report or Series Supplement.

The Notes are secured only by the lien granted to the Indenture Agent for the benefit of Holders under Article IV of the Indenture. The Holder does not own the Corresponding Borrower Loan, does not hold a separate or direct security interest in the Collateral, and may not individually exercise secured party remedies, control the Collection Account, enforce Borrower Loans, contact Borrowers for collection, or direct Borrower Loan servicing except through the Indenture and the Program Documents. LOF Management Rights, if any, are not Collateral, do not generate payment obligations of LOF to Holders, and do not guarantee this Note or any Borrower Loan.

If an Event of Default described in Section 5.01(a) or (b) of the Indenture occurs and is continuing with respect to this series, the Indenture Agent, or Holders of at least twenty-five percent (25%) in aggregate Principal Amount of the Outstanding Notes of this series, may declare the Principal Amount of this series and accrued interest immediately due and payable, subject to the payment-dependent and limited-recourse terms of the Indenture and this Note. If an Event of Default described in Section 5.01(c), (d) or (e) of the Indenture occurs and is continuing, the Principal Amount of all Outstanding Notes and accrued interest become immediately due and payable without action by the Indenture Agent or any Holder, subject to those same limitations.

Holder contractual remedies with respect to the Indenture, this Note or the Collateral are subject to Section 5.06 of the Indenture. A Holder may not pursue an individual contractual remedy unless the notice, 25% Holder request, security or indemnity, 60-day non-action and no-inconsistent-majority-direction conditions in Section 5.06 are satisfied. No Holder may use the Indenture to prejudice another Holder or obtain preference or priority over another Holder. This paragraph does not limit any non-waivable right under federal securities laws.

The Servicer shall service and administer the Borrower Loans and Notes under the Administration Agreement and the Servicing Standard. Subject to the Servicing Standard and the Program Documents, the Servicer may bill, collect, apply payments, engage collection agencies, modify repayment terms, grant forbearances, waive fees, settle, charge off, sell or otherwise manage delinquent or defaulted Borrower Loans without Holder consent. The Indenture Agent has no duty to service Borrower Loans or Notes, maintain the Platform, communicate with Borrowers, collect payments, calculate fees, prepare investor statements, make tax reports, monitor delinquencies, pursue collections, modify loans, charge off loans or verify borrower, investor or platform information unless it separately agrees in writing.

The Indenture permits the Company and the Indenture Agent to amend or supplement the Indenture or any Note without Holder consent for the limited purposes described in Section 8.01 of the Indenture, including to cure an ambiguity, omission, defect or inconsistency; conform the Indenture or Notes to the Offering Documents, Series Reports or Series Supplements; add, preserve or perfect Collateral or maintain the DACA or Collection Account structure; replace trustee or TIA-qualified trustee references with Indenture Agent references consistent with the Indenture; and make other changes that do not materially adversely affect Holders.

Except as provided in Section 8.01, the Company and the Indenture Agent may amend the Indenture or Notes of any series with the written consent of Holders of a majority in aggregate Principal Amount of the Outstanding Notes of each affected series. Without the consent of each affected Holder, no amendment may change the stated maturity of principal or interest except for the automatic extension to the Final Maturity Date provided in this Note, reduce the Principal Amount, interest rate or Borrower Loan Net Payment share payable on a Note, change the currency of payment, impair the right to sue for payment under Section 5.07 subject to payment-dependent and limited-recourse terms, reduce required Holder percentages, release all or substantially all Collateral except as permitted, modify the payment priority in Section 5.09 in a manner adverse to Holders, or modify Section 8.02 or Sections 5.04, 5.06 or 5.07 in a manner adverse to Holders.

Holders of a majority in aggregate Principal Amount of the Outstanding Notes of an affected series may waive an existing Default or Event of Default for that series and its consequences, except a payment default under Section 5.01(a) or a Default relating to a provision that cannot be amended without the consent of each affected Holder. Consents, waivers and directions bind Holders and later Holders as provided in the Indenture.

This Note is not entitled to any sinking fund. This Note is not redeemable at the option of the Holder.

REPURCHASE AND INDEMNIFICATION.

The obligations in this paragraph are express repurchase and indemnification obligations for purposes of the limited-recourse provisions of the Indenture. The Company's obligations under this paragraph, if triggered, are general unsecured obligations of the Company. They are not secured by the Collateral, supported by any reserve or segregated account, or guaranteed by LOF or any other Person. If a "Repurchase Event" occurs with respect to this Note, the Company will, at its sole option, either (i) repurchase this Note from the Holder, or (ii) indemnify and hold the Holder harmless against losses resulting from nonpayment of this Note and against losses, damages, expenses, legal fees, costs and judgments resulting from any claim, demand or defense arising as a result of the Repurchase Event (collectively, "Damages").

A "Repurchase Event" occurs with respect to this Note if:

(1) a Risk Rating different from the Risk Rating actually calculated by the Platform Operator was included in the listing for the Corresponding Borrower Loan and the Holder's interest in this Note is materially and adversely affected;

(2) a Risk Rating different from the Risk Rating that should have appeared in the listing for the Corresponding Borrower Loan was included in such listing because the Platform Operator inaccurately input data into, or inaccurately applied, the formula for determining the Risk Rating and, as a result, the Holder's interest in this Note is materially and adversely affected;

(3) the Corresponding Borrower Loan was obtained as a result of verifiable identity theft by the purported borrower and a material payment default under such Corresponding Borrower Loan has occurred; or

(4) no Borrower Loan Payments have been received on the Corresponding Borrower Loan and the Corresponding Borrower Loan is at least one hundred twenty (120) days past due under its then-current payment schedule, after giving effect to any modification, forbearance or other servicing action permitted by the Program Documents.

The Company will determine whether verifiable identity theft has occurred in its reasonable discretion based on its servicing records and documentation reasonably requested by the Company, which may include a police report filed by the person whose identity was wrongfully used to obtain the Corresponding Borrower Loan, an identity theft affidavit, a bank verification letter or other documentation the Company reasonably determines is necessary.

If the Company repurchases this Note pursuant to this paragraph, the repurchase price will be equal to the principal amount outstanding on this Note as of the date of repurchase and will not include accrued and unpaid interest, and this Note shall automatically be transferred and assigned by the Holder to the Company without recourse. Upon such repurchase, the Company may execute any endorsements or assignments necessary to effectuate the transfer and assignment of this Note to the Company.

If the Company elects to provide indemnification in connection with a Repurchase Event, the Company will not be required to take any action with respect to any losses suffered until the Corresponding Borrower Loan is at least one hundred twenty (120) days past due under its then-current payment schedule, after giving effect to any modification, forbearance or other servicing action permitted by the Program Documents. For purposes of indemnification, the Company will calculate the losses resulting from nonpayment of this Note based on the principal amount outstanding on this Note. If the Company makes an indemnification payment, the Company will be entitled to retain any subsequent recoveries that it receives on this Note.

Any repurchase or indemnification payment will be made in U.S. dollars through the Platform, the Servicer, the Paying Agent or one or more payment processors for the benefit of the Holder, as determined by the Company in accordance with the Program Documents.

RELEASE OF COLLATERAL; CERTIFICATES REGARDING RELEASES. Collateral relating to the Corresponding Borrower Loan may be released without Holder consent to the extent the release results from payment, permitted sale, settlement, charge-off, final maturity, repurchase, indemnification, collection expense payment, transfer to a collection agency, or other servicing action permitted by the Program Documents. Any release is subject to the Company's obligation to apply proceeds as required by the Indenture and this Note. The Indenture Agent shall execute releases, termination statements or related documents reasonably requested by the Company if the Company delivers a Company Order and Officer Certificate stating that the release is permitted and all required proceeds have been or will be applied as required. The Indenture Agent must receive an Opinion of Counsel and any other evidence required by Section 9.03 of the Indenture, and may require indemnity, before executing any such release document. No Trust Indenture Act certificates or opinions are required.

The Notes are issued only in registered electronic form without coupons.

The Company, the Registrar, the Paying Agent, the Servicer and the Indenture Agent may deem and treat the Person shown as Holder on the Register as the owner of this Note for all purposes. Payments made to or upon the order of the registered Holder, or to the Holder's designated account or payment method, satisfy the Company's payment obligation to the extent of amounts paid.

NO RECOURSE AGAINST OTHERS; LIMITED RECOURSE. Obligations under this Note and the Indenture are solely obligations of the Company and are not obligations of LOF, any Borrower, the Indenture Agent, the Account Bank, the Servicer in its separate capacity, or any manager, member, officer, employee, affiliate or agent of the Company or LOF, or any other Person, except to the extent such Person separately undertakes an obligation in a signed writing or is liable under non-waivable law. Except for repurchase, indemnification or other obligations expressly stated in this Note or the Offering Documents, the Holder's recourse for scheduled payments is limited to Borrower Loan Net Payments received on the Corresponding Borrower Loan and, after an Event of Default, to proceeds of the Collateral allocated to this Note or series and collected and applied by the Indenture Agent under Article V of the Indenture. Nothing in this Note or the Indenture waives, limits, releases or modifies any Holder's rights or remedies under federal securities laws.

Unless otherwise defined in this Note, terms used in this Note that are defined in the Indenture have the meanings assigned in the Indenture. This Note is subject to the Indenture. If a provision of this Note conflicts with the Indenture, the Indenture controls, except with respect to series-specific terms expressly permitted by the Indenture and stated in this Note, the related Series Report or Series Supplement.

NO PETITION. By accepting this Note, the Holder agrees not to institute against the Company any bankruptcy, insolvency, receivership or similar proceeding until one year and one day after all Notes have been paid in full or otherwise discharged. This paragraph does not prevent the Holder from filing proofs of claim or otherwise participating in a proceeding commenced by another Person.

THIS NOTE AND THE INDENTURE ARE GOVERNED BY THE LAWS OF THE STATE OF TEXAS, WITHOUT REGARD TO CONFLICTS OF LAW PRINCIPLES THAT WOULD REQUIRE APPLICATION OF ANOTHER JURISDICTION'S LAW. THE COMPANY AND EACH HOLDER BY ACCEPTING THIS NOTE SUBMIT TO THE EXCLUSIVE JURISDICTION OF THE FEDERAL AND TEXAS STATE COURTS LOCATED IN TRAVIS COUNTY, TEXAS FOR ANY ACTION ARISING OUT OF OR RELATING TO THIS NOTE, THE INDENTURE OR THE TRANSACTIONS CONTEMPLATED THEREBY, EXCEPT THAT THE INDENTURE AGENT MAY ENFORCE COLLATERAL RIGHTS IN ANY JURISDICTION WHERE COLLATERAL IS LOCATED OR WHERE ENFORCEMENT IS NECESSARY. TO THE FULLEST EXTENT PERMITTED BY LAW, THE COMPANY AND EACH HOLDER BY ACCEPTING THIS NOTE WAIVE ANY RIGHT TO TRIAL BY JURY IN ANY PROCEEDING ARISING OUT OF OR RELATING TO THIS NOTE, THE INDENTURE OR THE TRANSACTIONS CONTEMPLATED THEREBY.

This Note shall not be valid or become obligatory for any purpose until it has been executed and authenticated, electronically or otherwise, by the Company, the Registrar or an authenticating agent appointed by the Company as provided in the Indenture.

[Signature Page Follows]

IN WITNESS WHEREOF, Live Oak Financial Funding LLC has caused this instrument to be signed by its duly authorized officers.

Dated: ______________________________________

Live Oak Financial Funding LLC

By: ______________________________________

Name:

Title:

Certificate of Authentication

Dated: ______________________________________

Live Oak Financial Funding LLC,
as Authenticating Agent

By: ______________________________________

Name:

Title:

[Signature Page to Borrower Payment Dependent Note]