YS ALTNOTES II LLC SERIES NOTE SUPPLEMENT

BORROWER PAYMENT DEPENDENT NOTES SERIES NO. YS USC REL I

Investment Terms	
Asset Class	Real Estate
Originator of Underlying Loans	NYC-Based Lender
Offering	Brooklyn Multi-Family Portfolio
YS SPV	YS USC REL I LLC
Investment Amount	$7,113,600
Gross Interest	7.00%
YieldStreet Management Fee	1.0%
Target Investor Interest Rate	6.00%
Estimated Duration (Months)[1]	18
Payment Frequency	Monthly
Payment Type	Interest Only w/ Principal Repayment Upon Maturity

YS Loan and Underlying Loans Terms	
YS Loan Type	Note-on-Note Loan
Underlying Loans Type	Acquisition and Renovation
Property Type	Multi-Family
Total Purchase Price	$11,500,000
Total Project Cost	$13,013,197
Total Underlying Loans Amount	$8,892,000
YS Note-on-Note Loan (YS Loan) Amount	$7,113,600
YS Loan-to-Purchase Price	61.9%
YS Loan-to-Cost	54.7%
"As-Is" Value (Appraisal)	$12,600,000
"As-Stabilized" Value (Appraisal)	$14,500,000
"As-Is" YS Loan-to-Value (Appraisal)	56.5%
"As-Stabilized" YS Loan-to-Value (Appraisal)[3]	49.1%
Security Position of YS Loan	First Priority Interest in all assets of the Borrower, including the Underlying Loans
Security Position of Underlying Loan	First Mortgage
Start Date	06/24/20
Maturity Date[2]	12/19/21
Exit Strategy	Refinance or Sale

Why We Like This Opportunity

- YS SPV's last dollar exposure represents 56.5% of the appraised "as-is" value, 61.9% of the Properties' purchase price and 54.7% of the total expected cost to acquire and renovate the Properties. Upon stabilization of the Properties, YS SPV's last dollar exposure is expected to represent 49.1% of the appraised "as-stabilized" value.
- At the closing of the Underlying Loans, the Sponsor contributed $3.2M in cash equity to acquire the Properties and pay for closing costs. The Sponsor is expected to contribute $910k in additional equity to renovate the units and reconfigure 10 of the 14 residential units. The Sponsor's contributed equity is first loss capital to the Underlying Loans, and is effectively subordinated to YS Loan.
- The borrower under the YS Loan is a lending subsidiary of the Originator. In the event of a default in the Underlying Loans, this subsidiary has the right to service obligations under the YS Loan out of pocket for a period of 60 (if there is an underlying maturity default) or 150 days (if the underlying default is not a maturity default). In the absence of

[1] Inclusive of one option to extend for 6 months

[2] Includes one option to extension for 6 months; co-terminus with Underlying Loans

a cure after such period, YS SPV will have the right to have all rights and title to the Underlying Loans assigned and transferred to YS SPV.

- The collateral for the Underlying Loans, which are cross-collateralized, are 3 multi-family and 1 mixed-use properties located in the Park Slope, Boerum Hill and Carroll Gardens neighborhood of Brooklyn. With respect to the 2Q20 market dynamics in the Properties' sub-markets, the Prospect Park (Park Slope and Carroll Gardens) and Downtown Brooklyn (Boerum Hill) multi-family sub-market ended the quarter with vacancies of 1.86% and 2.53% respectively. The Downtown Brooklyn retail sub-market had a vacancy of 4.26% and net absorption of 12.8k SF.
- The Sponsor is a vertically integrated owner and operator of residential and commercial real estate in the New York City and Brooklyn area. It was capitalized by the sale proceeds of a family-owned retail store chain, and focuses on the repositioning of multi-family and mix-use assets. As of 1Q16, the Sponsor has acquired over 15 buildings and 400 apartments with a cumulative market value over $250M. The Principal has an estimated net worth of $5.4M, with cash of $1.0M as of 5/29/20.
- The Originator of the Underlying Loans is a NYC-based real estate investment company with three lines of business - ground-up development, renovations and short-term financing. It leverages its knowledge across its three verticals to make informed lending decisions. It also has an affiliated property manager which provides real-time market intelligence to facilitate due diligence and underwriting. Since 2016, it has originated 47 loans, totaling over $176M, secured by properties in the Greater NYC Area. There have been no losses to date.

WHEN ANALYZING THIS INVESTMENT, PROSPECTIVE INVESTORS ARE URGED TO CAREFULLY CONSIDER EACH OF THE RISKS SET FORTH IN EXHIBIT C HERETO.

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TRANSACTION

Overview: YS USC REL I LLC ("YS SPV") has made a $7.1M loan (the "Investment" or "YS Loan") secured by a first priority interest in four loans (collectively, the "Underlying Loans") totaling $8.9M originated by the Originator ("Originator") and made by a subsidiary thereof ("Originator Lender"). The Underlying Loans are each secured by a building (collectively, the "Properties") in Brooklyn, and are cross-collateralized. YS SPV was established for this investment and is a fund managed by YieldStreet Management, LLC, an SEC-registered investment advisor ("Manager"). The Manager has advised YS SPV to close on the Investment which represents YS SPV's sole asset. YieldStreet investors have an opportunity to purchase borrower payment dependent notes ("Notes") issued by the YS SPV's parent and thus indirectly participate economically in the Investment.

The borrower of the Underlying Loans ("Underlying Borrower") used the proceeds from the Underlying Loans, along with $3.2M in cash equity ("Sponsor Equity") provided by the sponsor ("Sponsor"), to purchase the Properties and pay closing costs. YS SPV provided the Originator Lender with $7.1M (80% advance rate) in senior note-on-note financing. The remaining $1.78M of the Underlying Loans ("Subordinated Portion") is retained by the Originator in its credit fund ("Originator Fund"). The Sponsor is expected to contribute an additional $910k in equity (funded out of pocket) to renovate the Properties and reconfigure certain units (the "Project"), resulting in total project cost of $13.0M. The sources and uses for the Project are shown below:

Sources	**$**	**%**		**Uses**	**$**	**%**
Underlying Loans	$8,892,000	68.4%		Purchase Price	$11,500,000	88.4%
YS Loan	*$7,113,600*	*54.7%*		Short Interest	$26,231	0.2%
Subordinated Portion	*$1,778,400*	*13.7%*		Taxes	$30,117	0.2%
Sponsor Equity	$4,121,197	31.7%		Closing Costs & Fees	$546,848	4.2%
				Capex Budget	$910,000	7.0%
Total	**$13,013,197**	**100.0%**		**Total**	**$13,013,197**	**100.0%**

**Italicized items show the breakdown of the Underlying Loans*

The Properties are located in the Park Slope (2 buildings), Boerum Hill and Carroll Gardens neighborhoods of Brooklyn. In total, the Properties consist of 14 1-bedroom units and 2 commercial units. The Properties are expected to be delivered vacant with the exception of one retail tenant. The second retail space has received an LOI at $108k annual rent and expiration in 2035. The Originator expects residential improvements to be complete in 2-3 months, and for lease-up to occur within 90 days of unit availability. The improvements involve renovations to all units, and the reconfiguration of 10 of the 14 residential units. Upon stabilization, the appraisal projects the Properties to generate net operating income of $769k, which implies a debt yield of 8.7%. It is important to note that the debt yield of 8.70% is below the 8.85% interest rate on the Underlying Loans. The Sponsor and/or the principal thereof ("Principal") are expected to service the debt obligations shortfall out of pocket both before and after stabilization.

The Sponsor is a vertically integrated owner and operator of residential and commercial real estate in the New York City and Brooklyn area. It focuses on the repositioning of multi-family and mix-use assets, which is precisely what the subject investment represents. Since 2016, the Sponsor and its affiliates has acquired over 15 buildings and 400 apartments with a cumulative market value over $250M. Five transactions have been realized to date. The Principal has an estimated net worth of $5.4M, with cash of $1.0M as of 5/29/20.

This Series Note Supplement describes the underlying transaction as well as this series of Notes offered for sale by YS ALTNOTES II LLC ("Issuer") and the corresponding Loan with respect to such Notes. The use of Notes helps YieldStreet to structure debt transactions more efficiently by allowing for a greater number of investors in a given transaction and lower minimum investment amounts. For more information please refer to the comprehensive Private Placement Memorandum available for download at the time of investment.

The Notes issued by the Issuer in which investors are investing will have the following terms as set forth in the Form of Note attached to the Indenture:

- Corresponding Asset (upon which the Notes are dependent for payment): Note secured by Underlying Loans
- Maximum Aggregate Principal Amount of this Series of Notes: $7,113,600
- Stated Maturity Date: 12/19/21
- Target Interest Rate: 6.00%

Each Note will bear interest from the date of issuance. All Notes issued under this series will be pari-passu regardless of when an investor purchases their Note. All Notes will be dependent on payment under the Loan and the Stated Maturity was established to ensure the Notes encompassed the entire term of the underlying transaction.

The YS Loan has a term of 12 months with one option to extend for 6 months, and is co-terminus with the Underlying Loans. The option to extend the Underlying Loans is subject to the satisfaction of certain conditions including there being no ongoing event of default and the Sponsor funding a reserve for interest, real estate taxes and insurance premiums due through the extended maturity date. Interest to YieldStreet investors is expected to be paid monthly at an annualized rate of 6.00% while principal is outstanding. Principal is expected to be repaid at maturity with proceeds from the sale or refinance of the Properties.

Asset Class: Real estate bridge lending consists of short-term loans that are secured by real estate assets. Bridge loans are different from traditional bank loans in that bridge loans provide borrowers with an expedited access to capital albeit at a higher interest rate. Traditional bank loans are structured to provide a more permanent form of capital at a lower interest rate with often more restrictive terms. As such, bridge loans are often refinanced with traditional bank loans after the underlying asset has achieved its intended business plan and is now eligible for permanent financing or the property is sold. Borrowers choose bridge loans for a variety of reasons including:

1. Acquisition: Time sensitive opportunity to purchase a property.
2. Renovation: Modernization of an apartment building's vacant units to attract upscale tenants at higher rents.
3. Construction: Supplemental capital needed to complete a condominium development and begin the sale of units.
4. Unrelated Need: Buyout of an investing partner by leveraging the value of the real estate property.

Bridge loans related to construction are structured differently than other types of bridge loans due to how the underlying project or property is valued. Construction bridge loans are often structured with delayed draws which mean that the borrower can only draw on its loan after certain construction criteria or milestones have been met. This can be accomplished primarily in two ways:

1. Expense Reimbursement: The borrower provides the lender proof of the work completed by submitting receipts and invoices. The lender would then remit loan funds on a periodic basis and after verification of the submitted documents.
2. Drawdown Schedule: The lender remits loan funds at scheduled intervals based on established milestones during the construction process. The lender will have a third-party oversee the construction process to ensure that the milestones are reached prior to the remittance of funds.

A construction bridge loan's draw methodology will vary based on the project undertaken but the reason for employing this structure is the same, risk mitigation. The lender wants to ensure that the value created during the construction process matches the loan outstanding. It is important that appropriate collateral coverage remains in place at all times during the loan's term and the delay draw structure helps achieve that.

A notable subset of bridge lending known as "Value Add" also often employs the delayed draw concept and can be identified by the following specific process:

1. The purchase of a real estate property that is often distressed or in need of capital improvements.
2. The renovation and/or construction of that real estate property with a defined budget and time-frame outlined.
3. The sale of that real estate property at a profit above acquisition, renovation and financing costs.

This description of the Value-Add process is highly simplified but conveys the general goal of buying at a discount and selling at a premium. For example, premium may be the result of simply purchasing, holding and then selling a property without any renovation. As such, the types of strategies may vary but the goal of generating profit in a defined time-frame remains the same.

Bridge loans related to construction are also often valued differently than other types of bridge loans due to the possibly significant changes made to the property. The changes to the property can be summarized by three valuation phases:

1. "As-Is": The value of the property at the time of the appraisal which is often prior to construction.
2. "As-Complete": The value of the property at completion and according to the plans provided by the borrower.
3. "As-Stabilized": The value of the property at completion and after occupancy assumptions have been achieved.

The loan amount is often a percentage of the "As-Complete" or "As-Stabilized" value. The combination of the delayed draw structure and the three valuation phases helps the lender maintain adequate coverage throughout the loan's term. It is important to note that the "As-Complete" and "As-Stabilized" values are sometimes used synonymously.

The valuation of a real estate property requires a combination of available data sources and assumptions. There are various situational based approaches to valuing real estate which include:

1. Income Capitalization Approach – Based on the real estate property's net operating income (NOI) and chosen capitalization rate. The real estate property's value is the NOI divided by the capitalization rate.

A real estate property's NOI can be derived using either historical or projected performance figures. Projected performance figures would most often be used when the property was undergoing change over the bridge loan's term such as renovation, construction or rent increases. The capitalization rate is a way to compare the performance of properties similar in size and location as well as represent a property's annualized return based on its value. To determine the capitalization rate, various data points are considered including location, property type, cash flow stability, interest rate environment, market competition, etc. For example, multifamily properties in a defined locale were determined to be between 3.8% and 5.5% after considering the previously mentioned data points. A specific multifamily property in that defined locale would be analyzed in the context of that range to establish a capitalization rate for valuation purposes. If the multifamily property was assigned a capitalization rate of 5.0% and generated $250k of NOI, then the resulting estimated value of the property would be $5.0M.

2. Sales Comparison Approach – Based on the sale price of similar real estate properties in a defined set of comparable assets. The accuracy of this approach is contingent on how similar the comparable properties are, how many similar properties can be used and how recent those sales occurred.

The use of comparable sales can be a reliable valuation approach after taking into account the quality of the dataset being used. For this reason, the sales comparison approach cannot be reliably used without a number of quality datapoints to reference. If quality datapoints are available, the sales comparison approach can provide an accurate valuation that can be validated by an actual market-based outcome.

Bridge loans are temporary in nature and not intended as a long-term financing solution. As such, the validity of the borrower's exit strategy is often evaluated during the due diligence process. The most common exit strategies involve the sale or refinancing of the underlying property:

1. Sale – The analysis is focused on the property value, marketability and time to sale.
2. Refinance – The analysis is focused on the target lender metrics and the prospective lenders.

Target lender metrics are the criteria by which prospective lenders will assess the attractiveness of a given loan. The target lender metrics are based the loan and property assumptions at maturity. The common target lender metrics include:

Debt Service Coverage Ratio	Debt Yield
Loan-to-Value	Loan-to-Cost

Prospective lenders each have their own generally defined credit standards which can be compared to the target lender metrics to determine the prospective lenders most likely to refinance the loan. The fewer prospective lenders likely to refinance the loan, the less viable a refinance exit strategy is. The common prospective lender categories include:

National Banks	Regional Banks
Bank Agencies	Community Banks
Bridge Lenders	

Structure: The Investment is a $7.1M senior secured loan made by YS SPV to the Originator Lender. The YS Loan is secured by four underlying mortgage loans, which in turn are each secured by an individual property and subsequently cross-collateralized. The Investment represents an 80.0% advance rate on the Underlying Loans, and effectively acts as senior leverage for the remaining $1.8M in financing retained in the Originator Fund. It is important to note that the counterparty to YS SPV (i.e., the borrower of the YS Loan) is the Originator Lender, and not the Sponsor. Debt service obligations under the Investment are borne by the Originator Lender. If there is no event of default or no collateral event (sale or refinance of a property), then the Originator Lender can retain any and all proceeds from the Underlying Loans, so long as it still services its obligations under the (i.e., the borrower of the YS Loan) YS Loan.

In the event of a default by the Underlying Borrower, the Originator Lender may continue to make monthly debt service payments on the YS Loan for 150 days if not a maturity default and 60 days if a maturity default. If the Originator Lender fails to service its obligations under the YS Loan, and therefore triggers an event of default under the YS Loan, then YS SPV shall be entitled to have all of Originator Lender's rights, title, interest and claim in and to the Underlying Loans assigned and transferred to YS SPV. In such a situation, YS SPV would have direct privity with the Underlying Borrower, and have the power to enact any and all rights and remedies of a secured mortgage lender (subject to the mortgage documents), including loan modification and initiating foreclosure.

The YS Loan has a 12-month term with one option to extend for 6 months (total extended term of 18 months), and is co-terminus with the Underlying Loans. YieldStreet investors are scheduled to receive monthly interest payments at an annualized rate of 6.00% for the Investment's term. Principal is expected to be repaid at maturity, upon refinancing or sale of the Properties. As per the Underlying Loans' documentation, each property has a minimum release price of the greater of the net proceeds from sale and 125% of the allocated loan amount. In the event of a refinancing or sale of an individual property prior to maturity (prepayment), YS SPV is entitled to the proportion of its principal outstanding to the outstanding principal of the Underlying Loans (80.0%) of the release proceeds.

At closing of the Underlying Loans, the Sponsor contributed $3.2M in cash equity to acquire the Properties and pay for closing expenses. It is important to note that while the contemplated improvements are an integral component of this transaction, funds for improvements were not funded by the Underlying Loans, nor were funds contributed into a lender-controlled account or held in reserve. The Sponsor is expected to make payments for the improvements out-of-pocket as necessary. The Originator was comfortable with such an arrangement due to the Sponsor's significant capital contribution for acquisition and the Principal's bank account balance of $1.0M as of 5/29/20.

SUPPORT PROCESSES

Diligence: The Originator established a due diligence process to both gather and review the information necessary to make an informed credit decision. The Originator's first area of focus is the associated property or properties, which are the primary source of security. The information gathered includes but is not limited to:

Site Visit & Discussion with Local Brokers	Third-Party Appraisals
Projected Budget & Development Plan	Property Operating Statements
Third-Party Municipal Information Report (Zoning)	Tenant Leases & Rent Rolls
Environmental Reports	Property's Sales History
Insurance Review	Property Condition Report

The Originator's credit analysis is primarily based on its internal underwriting and market analysis, which are informed by its knowledge as an owner, operator and developer of real estate. Its captive property manager (PAD Management) additionally provides comprehensive macro insights, as well as underwriting and due diligence support. Third-party appraisals, or Broker Price Opinions, are also obtained and serve as a secondary source of valuation. It is common for the Originator to take a more conservative approach and reduce the underwritten valuation if the appraised valuation is lower than its internal valuation. The request of backup documentation ensures that the basis of the Originator's credit decision is on factual grounds.

Many of the Originator's transactions involve the borrower performing enhancements to a property or improving operations which are expected to result in an increased property value. In addition to appropriately valuing a property at loan closing, the Originator analyzes the borrower's strategy to add value to a property and service the loan prior to stabilization. This consists of the Originator reviewing the budget, expected performance and interim sources of income. Repayment typically occurs through the stabilization of the property's income and the subsequent refinancing of the property with a conventional lender or sale of property.

The Originator's second area of focus is the borrower. The Originator conducts due diligence on the Borrower including:

Personal Financial Statements	Background Check
Schedule of Real Estate Owned	Credit Report
In-Person Meetings	Tax Returns

The borrower's financial statements are reviewed to understand the assets available to satisfy any cost overruns associated with the property or to satisfy any guarantees associated with the loan, although no independent verification is made. The Originator views loans holistically so the risk associated with a borrower can be mitigated by adjusting a loan's amount, interest reserve or requiring additional cash reserves. The Originator may require that the borrower provide a full personal guaranty which obligates the borrower to remit additional funds in the event of a repayment shortfall, cost overruns, etc.

With the full real estate and borrower profile complete, the Originator prepares an investment memorandum summarizing its due diligence findings and presenting it to its investment committee. All transactions require the unanimous approval of the investment committee. Once approved, the Originator can offer terms it believes are reasonable and sound.

It is important to note that the Originator's underwriting process is the framework under which all transactions are reviewed and variations to that process are meant to address any distinct aspects present in a transaction.

Servicing: The Originator established an internal servicing ability which is responsible for monitoring and management of its loan portfolio. The Originator processes monthly interest payments, including payments to senior leverage providers (if applicable), and controls the disbursement of construction funds reserved (if applicable). Its in-house servicing team works closely with PAD Management to provide oversight to ensure the project progresses in line with the budget. Disbursement reports are provided on a monthly basis, and progress reports are provided on a quarterly basis to participants and/or investors.

COLLATERAL

Composition: As noted above, the YS Loan is secured by the Underlying Loans, which in turn are each secured by a first mortgage on an individual property. The collateral securing the Underlying Loans consists of 3 multi-family and 1 mixed-use properties (4 properties in total) located in the Park Slope, Boerum Hill and Carroll Gardens neighborhood of Brooklyn. These areas are generally residential areas, particularly popular for young families and professionals. With respect to the 2Q20 market dynamics in the properties' sub-markets, the Prospect Park (Park Slope and Carroll Gardens) and Downtown Brooklyn (Boerum Hill) multi-family sub-market ended the quarter with vacancies of 1.86% and 2.53% respectively, and net absorption of 66 units and -7. Similarly, the Downtown Brooklyn retail sub-market had vacancy of 4.26% and net absorption of 12.8k SF. The numbers do not account for the disruptions caused by COVID-19. Demand is expected to be negatively impacted, though this may be offset by the state-level freeze on non-essential construction (which includes market-rate rental properties).

In total, the Properties consist of 14 1-bedroom units and 2 commercial units. The table below shows a summary of the four properties:

Property #	1	2	3	4	Total
City, State	Brooklyn, NY	Brooklyn, NY	Brooklyn, NY	Brooklyn, NY	Brooklyn, NY
Neighborhood	Park Slope	Carroll Gardens	Boreum Hill	Park Slope	-
Lot Area	2,910	2,500	1,380	2,000	8,790

Gross Building Area	3,989	5,324	4,904	3,396	17,613
Stories	4	4	4	3	15
Residential Units	4	5	2	3	14
Commercial Units	0	0	2	0	2
Total Units	4	5	4	3	16

The Properties are expected to be delivered vacant with the exception of one retail tenant, which is a beauty-related service provider residing on the second floor of Property 3. This tenant has been servicing its rent payments ($36k annual rent) in a timely manner, and has a lease until 2022. The ground floor retail space has received an LOI at $108k annual rent and expiration in 2035. The residential units are either already vacant or are under month-to-month leases. The Originator expects residential improvements to be complete in 2-3 months, and for lease-up to occur within 90 days of unit availability. The improvements involve renovations to all units, and the reconfiguration of 10 of the 14 residential units. One of the residential units is a rent-controlled unit formerly leased to a recently deceased individual. The Sponsor plans on converting the rent-controlled unit to a fair market rent unit. While relatives of the former tenant have claimed the right to succeed to the apartment, the Sponsor has obtained a legal opinion stating that the relatives' claim lacks merit.

The Originator's internal underwriting formed the basis of its credit decision. It additionally engaged BBG Inc. ("Appraiser"), a property valuation company, to conduct a third-party appraisal ("Appraisal") of the Properties and provide a secondary opinion of value. The tables below show a more detailed breakdown of the units at each property, the in-place rents, the Appraisal's projected rent (post-improvements) and a summary of the rent comparable universe utilized by the Appraiser.

Property 1

					In-Place Rent		Appraisal			Appraisal Comps Range		
Unit	Status	Original Layout	Improved Layout	Est. SF	Monthly	Annual	Monthly	Annual		Low	High	Average
1st	FM	2 Bed / 1 Bath	2 Bed / 1 Bath	700	3,700	44,400	$3,695	$44,340		$3,300	$3,695	$3,498
2nd	FM	2 Bed / 1 Bath	3 Bed / 1 Bath	900	2,900	34,800	$4,200	$50,400		$4,000	$4,400	$4,200
3rd	FM	2 Bed / 1 Bath	4 Bed / 2 Bath	1,000	2,995	35,940	$5,500	$66,000		$4,900	$5,785	$5,343
PH	FM	2 Bed / 1 Bath	4 Bed / 2 Bath	1,000	3,700	44,400	$5,250	$63,000		$4,900	$5,785	$5,343
Total				**3,600**	**$13,295**	**$159,540**	**$18,645**	**$223,740**		**$17,100**	**$19,665**	**$18,383**

Property 2

					In-Place Rent		Appraisal			Appraisal Comps Range		
Unit	Status	Original Layout	Improved Layout	Est. SF	Monthly	Annual	Monthly	Annual		Low	High	Average
1	RC	1 Bed / 1 Bath	Convert to Non RC	700	$500	$6,000	$3,500	$42,000		NA	Na	NA
2	FM	1 Bed / 1 Bath	3 Bed / 2 Bath	800	–	–	$4,500	$54,000		$4,100	$4,500	$4,300
3	FM	1 Bed / 1 Bath	4 Bed / 2 Bath	1,000	$2,800	$33,600	$5,500	$66,000		$5,000	$5,500	$5,250
4	FM	1 Bed / 1 Bath	4 Bed / 2 Bath	1,000	–	–	$5,500	$66,000		$5,000	$5,500	$5,250
5	FM	1 Bed / 1 Bath	4 Bed / 2 Bath	1,000	$3,500	$42,000	$5,200	$62,400		$5,000	$5,500	$5,250
Total				**4,500**	**$6,800**	**$81,600**	**$24,200**	**$290,400**		**$19,100**	**$21,000**	**$20,050**

Property 3

					In-Place Rent		Appraisal			Appraisal Comps Range		
Unit	Status	Original Layout	Improved Layout	Est. SF	Monthly	Annual	Monthly	Annual		Low	High	Average
C1	Comm	Retail	NA	1,200	–	–	$10,000	$120,000		$8,800	$14,388	$11,594
C2	Comm	Retail	See Note	1,200	$3,028	$36,336	$4,500	$54,000		$3,000	$14,464	$8,732
Apt. 1	FM	4 Bed / 1 Bath + Balcony	NA	790	–	–	$4,800	$57,600		$4,200	$5,500	$4,850
Apt. 2	FM	4 Bed / 1 Bath	NA	790	–	–	$4,500	$54,000		$4,200	$5,500	$4,850
Total				**3,980**	**$3,028**	**$36,336**	**$23,800**	**$285,600**		**$20,200**	**$39,852**	**$30,026**

Property 4

					In-Place Rent		Appraisal			Appraisal Comps Range		
Unit	Status	Original Layout	Improved Layout	Est. SF	Monthly	Annual	Monthly	Annual		Low	High	Average
1	FM	3 Bed / 2 Bath	2 Bed / 2 Bath (Duplex)	1,456	–	–	$5,800	$69,600		$5,000	$6,500	$5,740
2	FM	2 Bed / 1 Bath	4 Bed / 2 Bath	832	–	–	$5,300	$63,600		$4,900	$5,795	$5,219
3	FM	2 Bed / 1 Bath	4 Bed / 2 Bath	832	–	–	$5,300	$63,600		$4,900	$5,795	$5,219
Total				**3,120**			**$16,400**	**$196,800**		**$14,800**	**$18,090**	**$16,178**

The sales comparison universe selected by the Appraiser are shown in the tables below:

Multi-Family Sales

Comp	**Area**	**Units**	**Sale Date**	**Sale Price**	**Sales / Unit**	NOI	**Cap Rate**
1	Cobble Hill	4	1/31/2020	$3,300,000	$825,000	$165,000	5.00%
2	Cobble Hill	4	10/17/2019	$3,000,000	$750,000	$134,400	4.48%
3	Park Slope	4	5/9/2019	$2,850,000	$712,500	$114,000	4.00%
4	Bedford-Stuyvesant	4	11/5/2019	$2,135,000	$533,750	$111,020	5.20%
5	Bedford-Stuyvesant	5	2/14/2020	$2,200,000	$440,000	$122,980	5.59%
6	Crown Heights	8	10/28/2019	$5,150,000	$643,750	$275,525	5.35%
Min		**4**	**5/9/2019**	**$2,135,000**	**$440,000**	**$111,020**	**4.00%**
Max		**8**	**2/14/2020**	**$5,150,000**	**$825,000**	**$275,525**	**5.59%**
Avg		**5**	**11/1/2019**	**$3,105,833**	**$650,833**	**$153,821**	**4.94%**

Mixed-Use Sales

Comp	**Area**	**Residential Units**	**Commercial Units**	**Sale Date**	**Cap Rate**
1	Prospect Heights	2	1	3/20/2020	4.47%
2	Park Slope	3	2	3/20/2020	4.60%
3	Boerum Hill	3	2	12/19/2020	5.50%
4	Brooklyn Heights	3	2	6/19/2020	7.50%
Min		**2**	**1**	**3/20/2020**	**4.47%**
Max		**3**	**2**	**12/19/2020**	**7.50%**
Avg		**3**	**2**	**6/19/2020**	**5.52%**

A summary of the Originator's and the Appraiser's valuations are shown in the table below. The Originator's concluded "as-stabilized" valuation was $13.7M, equating to a YS Loan LTV of 51.8%. Based on the Purchase Price, which it interpreted as its "as-is" valuation, the YS Loan LTV is 61.9%. The Originator's concluded valuations were more conservative than those of the Appraisal, which were $12.6M and $14.5M, equating to YS Loan LTV of 56.5% and 49.1% respectively.

	Valuation	Valuation / Unit	LTV
Originator			
"As-Stabilized"	$13,734,830	$858,427	51.8%
Purchase Price	$11,500,000	$718,750	61.9%
Appraisal			
"As-Stabilized"	$14,500,000	$906,250	49.1%
"As-Is"	$12,600,000	$787,500	56.5%
YS Loan (Cost Basis)	$7,113,600	$508,114	-

A more detailed side-by-side comparison of the Appraisal and the Originator's cash flow and valuation assumptions is shown in the table below. The Originator had a more optimistic forecast of rental rates than the Appraisal, resulting in higher Effective Gross Income. However, the Originator has more conservative operating expense assumptions, resulting in a more conservative $755k in projected net operating income (NOI) than the Appraisal, which projected $769k. The Originator's projected NOI equates to an 8.5% debt yield and 6.6% capitalization rate on purchase price. The Originator further assumed a more conservative "as-stabilized" capitalization rate of 5.5%, resulting in "as-stabilized" value of $13.7M, and per unit valuation of $858k. The YS Loan has a cost basis of $508k, which is below that of the Appraisal's $787k "as-is" per unit valuation, and the $650k average of the multi-family sales comparison universe.

	Appraisal		Originator	
Residential Income	$822,540		$850,800	
Commercial Income	$174,000		$159,600	
Gross Income	**$996,540**		**$1,010,400**	
Less: Residential Vacancy	($29,892)	3.6%	($25,524)	3.0%
Less Commercial Vacancy	($8,700)	5.0%	($11,970)	7.5%
Effective Gross Income	$957,948		$972,906	
Real Estate Taxes	($95,026)	9.9%	($95,435)	9.8%
Fuel	($1,922)	0.2%	($22,016)	2.3%
Water and Sewer	($11,400)	1.2%	($12,000)	1.2%
Insurance	($15,876)	1.7%	($8,800)	0.9%
Repairs and Maintenance	($11,639)	1.2%	($8,000)	0.8%
Electric	($4,172)	0.4%	($3,523)	0.4%
Payroll (Super)	($14,000)	1.5%	($28,800)	3.0%
Management Fee	($28,683)	3.0%	($38,916)	4.0%
Misc.	($2,543)	0.3%	–	–
Reserves	($3,500)	0.4%	–	–
Total Expenses	($188,761)	19.7%	($217,490)	22.4%
Net Operating Income	$769,187		$755,416	
Cap Rate	5.31%		5.50%	
Stabilized Value	$14,497,289		$13,734,830	
Per Unit	$906,081		$858,427	
"As-Stabilized" LTV	**49.5%**		**51.8%**	

Both before and after stabilization, the Sponsor and/or Principal is expected to service obligations on the Underlying Loans. The Underlying Loans were not structured with an interest reserve, capex reserve or completion guarantee. The Principal (or "Guarantor") has however, provided a $600k personal guarantee to the Originator Lender. The Originator believes that the Sponsor is incentivized to complete the project and service obligations under the loans due to the $3.2M equity contribution at closing and the personal guarantee provided.

The Sponsor is an experienced owner and operator of multi-family and mixed-use real estate in the NY area. The scope and nature of the improvements are consistent with their core competence, and the improvements contemplated are considered to be of relatively moderate invasiveness. The Underlying Borrower has engaged an experienced fully licensed and insured general contractor, which has been active for approximately 7 years, and has completed numerous jobs of similar scope and nature.

Security: The Underlying Loans are the primary security for the YS Loan. Since YS SPV has no privity with the Underlying Borrower, the YS Loan has been structured with two layers of recourse:

1. The Originator Fund has provided a bad actor carve-out guaranty to YS SPV:
   - In the event of any fraud, misrepresentation, willful misconduct, gross negligence and/or other situations in which the Originator Lender, or an affiliate thereof, could willfully harm the Underlying Loans, YS SPV would have recourse to the Originator Fund for any actual losses incurred.
   - In the event the Originator Lender, or an affiliate thereof, acts in bad faith, in violation of the loan documents with regards to certain actions including attempting to conceal a Underlying Loan default, failure to make mandatory repayment(s) or further encumbers the Underlying Loans, YS SPV would have recourse to the Originator Fund for the full amount of the obligations under the YS Loan.
2. The Principal has provided a bad actor carve-out to the Originator Lender. In the event of any fraud, misrepresentation, willful misconduct, gross negligence and/or other situations in which the Sponsor could willfully harm the Underlying Loans, the Originator Lender would have recourse to the Principal.

PRIMARY PARTIES

Sponsor: The Sponsor is a vertically integrated owner and operator of residential and commercial real estate in the New York City and Brooklyn area. It was capitalized by the sale proceeds of a family-owned retail store chain, and focuses on the repositioning of multi-family and mix-use assets. As of 4/1/20, the Sponsor had realized 6 transactions with total invested equity (including partner investor equity) of $57M. 4 of the 6 transactions did not have partner investors and totaled $26.4M. The Sponsor acted as the general parent (GP) or co-GP on 5 of the 6 realized transactions. The Sponsor is additionally currently invested in 14 transactions totaling $50.6M (including partner investor equity). The Sponsor is acting as GP or co-GP on all outstanding transactions. In total, the Sponsor has acquired over 15 buildings and 400 apartments with a cumulative market value over $250M.

The Principal has an estimated net worth of $5.4M, with cash of $1.0M as of 5/29/20.

Originator: The Originator is a NYC-based real estate investment company with three lines of business:

- Ground-up development - Focuses on developing for-sale condominiums from underutilized properties
- Renovation - Opportunistic, value-add projects
- Short-term financing – $1-50M Senior, Mezzanine and Preferred Equity financing across property type

The Originator leverages its knowledge across its three verticals to make informed lending decisions. It has successfully raised and deployed over $100M across three funds for value-add real estate, ground-up condo development and opportunistic debt investments in the greater NYC region. Its existing portfolio of properties, developments and investments provides on-the-ground information on pricing movements and trends. Since 2016, it has originated 47 loans, totaling over $176M, secured by properties in the NYC area. 18 loans, totaling over $25M, of the originated loans have been repaid. Of the repaid loans, only one loan was in technical default but was repaid in full 3 days after maturity. There have been no losses to date.

Additionally, PAD Management, an affiliated property manager, oversees 28 properties with 200 units of New York City residential and commercial space. The property manager provides real-time market intelligence as well as underwriting and due diligence support for the Originator's investing activities, which particularly facilitates the Originator's cash flow modelling. Furthermore, the Originator is able to manage its assets in the event it has to take possession of a property.

Platform: YieldStreet is changing the way wealth is created, providing access to asset-based investments historically unavailable to most investors. YieldStreet allows you to participate in opportunities with low stock market correlation, across litigation finance, real estate, marine, art and other alternative asset classes. We believe our technology platform creates a unique experience for investors at every level and provides valuable diversification and strength to most portfolios.

APPENDIX

Exhibit A - Certain Flat Expenses Allocated to Investors

In accordance with the Indenture (defined below), investors will be allocated a flat amount for the first calendar year and a different flat amount for each subsequent calendar year, intended to cover, inter alia, the following annual and/or one-time expenses: (A) mandated expenses required by the SEC such as Form D filings, (B) State blue sky filings, (C) out-of-pocket legal fees and expenses, if any, incurred to structure and document any SPV loan or participation, (D) SPV annual Delaware franchise and registered agent fees, (E) the Trustee's annual fees and other fees associated therewith and (F) annual audit fees and costs associated with preparation of the Issuer's and SPV's annual tax returns.

The flat expense allocations per investor ("Flat Expenses") will be $100 per participating investor in the first year of each offering, and $30 per participating investor in subsequent years if the offering is active for more than one calendar year.

The Flat Expenses will reduce the interest payments made to investors on their Notes.

Exhibit B - Statement of Confidentiality

This Confidential Series Note Supplement (this "Series Note Supplement") was prepared by YS ALTNOTES II LLC (the "Issuer") solely for informational purposes, from materials and information supplied by The Originator. This Series Note Supplement is furnished through the Platform operated by YieldStreet Inc. (the "Platform Operator") solely for use by prospective investors considering purchasing borrower payment dependent notes (the "Notes") in the Issuer. Except as may be required by applicable law, this Series Note Supplement may not be used by you for any other purpose, nor may it be reproduced or distributed, nor may its contents be disclosed, to persons who are not directly involved with your evaluation of your investment, without our prior written consent. Your acceptance and review of this Series Note Supplement shall constitute your acceptance and acknowledgement to the foregoing, and your agreement to ensure that any person with whom you share any portion of this Series Notes Supplement does not do, or omit to do anything which, if done or omitted to be done by you, would constitute a breach of your obligations hereunder.

The information contained herein was prepared to assist interested parties in making their own evaluation of purchasing Notes issued by the Issuer and does not purport to be all-inclusive or to contain all of the information that may be required to evaluate a purchase of the Notes. In all cases, interested parties should conduct their own investigation and analysis of the Issuer and the data set forth in this Series Note Supplement and supplementary documents available on the YieldStreet Platform, including the Private Placement Memorandum dated April 9, 2020 and the Amended and Restated Borrower Payment Dependent Notes Indenture dated April 9, 2020 between the Issuer and Delaware Trust Company, as Trustee. The Platform Operator, the Issuer, and YieldStreet Management, LLC as manager ("Manager") of the Issuer, expressly disclaim any and all liability for any representations (whether expressed or implied) contained in, or any omissions from, this Series Note Supplement or any other written or oral communication transmitted to prospective investors in the course of such prospective investor's evaluation of its purchase of Notes issued by the Issuer.

Exhibit C - Risk Factors

When analyzing this offering to invest in the Notes, prospective investors should carefully consider each of the following risks.

RISK FACTORS ASSOCIATED WITH REAL ESTATE GENERALLY AND THIS INVESTMENT

General risks of real estate investing

The lender has made a loan to a borrower ("Property-Level Lender") which in turn has used the proceeds of such loan to make a loan to a borrower involved with a real estate project (such loan, the "Property-Level Loan" and such borrower, the "Property-Level Borrower"). An investment in the Notes is therefore primarily dependent on the ability of the Property-Level Lender to repay principal and interest on the Loan made by the lender to the Property-Level Lender, which is in turn dependent on the ability of the Property-Level Borrower to repay principal and interest on the Property-Level Loan. As such, the Notes will be subject to the general risks inherent in the ownership of real property.

Changes in value and cash flows of the underlying property

The value of real property and its ability to generate cash flow is subject to volatility and may be adversely affected by many factors, including, without limitation: changes in national, regional or local economic conditions; changes in the supply and demand factors for the real property; rising interest rates; changing environmental regulations; unknown or unanticipated environmental related liabilities; costs associated with the need to periodically repair, renovate and re-lease space; withdrawal of tenants and difficulty of replacing tenants; bankruptcies, financial difficulties or lease defaults by tenants; adverse use of adjacent neighboring real estate; changes in the demand for or supply of competing property; uninsured losses; inability of the borrower to obtain any required permits or entitlements for a reasonable cost or on reasonable conditions or within a reasonable time frame or at all; inability of the Property-Level Borrower to obtain the services of appropriate consultants at a reasonable cost; changes in legal requirements for any needed permits or entitlements; the willingness and ability of the property's owner to provide capable management and adequate maintenance; changes or continued weakness in specific industry segments, convenience, services and attractiveness of the property; changes in government rules, regulations and fiscal policies, including changes in tax, real estate, environmental and zoning laws; retroactive changes to building or similar codes; increases in construction costs; lack of adequate availability of liability insurance or all-risk or other types of required insurance at a commercially reasonable price; shortages in available energy; acts of God or other calamities; and other factors beyond the control of the Company or the Manager.

The Property-Level Loan, which is secured by the real property, will be additionally subject to the risks and other factors generally incident to the ownership of real property, including such things as the effects of inflation or deflation; inability to control future operating costs; vandalism; uncertainty of cash flow; the availability and costs of borrowed funds; exposure to non-recourse carve-out guaranty obligations; the ultimate valuation of real estate serving as collateral, whether determined at foreclosure or otherwise; competition from other property; residential patterns and uses; the general suitability of a property to its market area; and other factors beyond the control of the Company or the Manager.

Adverse changes in the factors above could affect the Property-Level Borrower's ability to make payments on the Property-Level Loan, thereby affecting the borrower's ability to make payments on the Loan. Certain expenditures associated with real estate investments, principally mortgage payments, real estate taxes and some maintenance costs, generally remain constant despite a decrease in income derived from such investments. Thus, the cost of operating a given property may exceed the income earned therefrom. The ability of the Property-Level Borrower to pay on its underlying Property-Level Loan in a timely manner will depend on factors such as these. The Company's obligation to make payments on the Notes is solely dependent on the ability of a borrower to pay on its loan, and therefore the inability of the Property-Level Borrower to make payments either timely or at all, will have a material adverse effect on the ability of the borrower to make payments either timely or at all, which will have a material adverse effect on the ability of the Company to make payments of interest and principal on the Notes.

Furthermore, a decline in the property value or loss of liquidity in the capital markets could negatively impact the Property-Level Borrower's ability to refinance the Property-Level Loan or sell the property. It is common for loans secured by real estate loans to be repaid through a refinance by another lender. A decrease in the value of the property would negatively impact the Property-Level Borrower's ability to obtain the refinancing of the Property-Level Loan, which could have a material adverse effect on the Company's ability to repay the principal of the Notes. Furthermore, if the sale of the property is required to repay the Property-Level Loan, a decrease in the property value to the extent that the underlying Property-Level Loan exceeds the property value would result in the sale of the property failing to generate sufficient proceeds to repay the Property-Level Loan, which would have a material adverse effect on the Company's ability to repay the principal of the Notes.

The success of each real estate project investment is dependent on the performance of the Property-Level Borrower and other third parties over which the Company has no control

With respect to a particular property, either the Property-Level Borrower (or a third party real estate management company affiliated with or engaged by Property-Level Borrower) is responsible for various management functions that are essential to the success of a real estate project, including property marketing and leasing rates, payment of bills, maintenance of insurance, and property management generally. Poor management on the part of the real estate company could adversely affect the financial performance of the corresponding project investment or expose it to unanticipated operating risk, which could reduce the property's cash flow and adversely affect the Property-Level Borrower's ability to repay the Property-Level Loan, which could have a material adverse effect on the ability of the Company to make payments of interest and principal on the Notes.

This risk also pertains to construction of, or renovations to, the real estate. Real estate construction brings with it the risk of cost overrun and time delays. Construction projects are also contingent on correct zoning, various approvals, and regulation. These situations may require additional capital or delay the completion of the project and impair the Property-Level Borrower's ability to repay the Property-Level Loan, which could have a material adverse effect on the ability of the Company to make payments of interest and principal on the Notes.

Insurance against risks faced by a property could become costlier or unavailable altogether, and there is no requirement for the Property-Level Borrower to self-insure the property

Real estate properties are typically insured against risk of fire damage and other typically insured property casualties, but are sometimes not covered by severe weather or natural disaster events such as landslides, earthquakes, or floods. Changes in the conditions affecting the economic environment in which insurance companies do business could affect the Property-Level Borrower's ability to continue insuring the property at a reasonable cost or could result in insurance being unavailable altogether. Moreover, any hazard losses not then covered by the Property-Level Borrower's insurance policy could result in the corresponding real estate becoming significantly under secured, and a Noteholder could sustain a significant reduction, or complete elimination of, the return and repayment of principal from the Note.

Title insurance may not cover all title defects

The Property-Level Lender will acquire title insurance on the property to protect its interest in the mortgage lien, but it is possible that uninsured title defects could arise in the future, which the Property-Level Lender may have to defend or otherwise resolve, the cost of which may impact the profitability of the property.

The property valuation models used by the Manager in determining whether the SPV should make or participate in an underlying Loan may be deficient and may increase risk of default

Real estate valuation is an inherently inexact process and depends on numerous factors, all of which are subject to change. Appraisals or opinions of value may prove to be insufficiently supported, and the Manager's review of the value of the underlying property in determining whether the applicable SPV should make or participate in an underlying Loan and the value of the underlying security may be based on information that is incorrect or opinions that are overly optimistic. The risk of default in such situations is increased, and the risk of loss to Noteholders will be commensurately greater.

Liability for environmental issues

Under various federal, state and local environmental and public health laws, regulations and ordinances, the Property-Level Borrower (or a lender after foreclosure on the property) may be required, regardless of knowledge or responsibility, to investigate and remediate the effects of hazardous or toxic substances or petroleum product releases (including in some cases natural substances such as methane or radon gas) and may be held liable under these laws or common law to a governmental entity or to third parties for property, personal injury or natural resources damages and for investigation and remediation costs incurred as a result of the real or suspected presence of these substances in soil or groundwater beneath a property. These damages and costs may be substantial and may exceed insurance coverage the Property-Level

Borrower (or lender) has for such events. The Manager will attempt to limit exposure to such conditions by conducting due diligence on the property or properties prior to advising the SPV to make the loan or participate therein, however, all or some of these conditions may not be discovered or occur until after the loan or participation has been funded.

Security of certain underlying loans does not remove the risks associated with foreclosure

Senior loans and certain mezzanine loans will be secured by a first lien security interest such as a mortgage, deed of trust or security deed on the underlying real estate, and a loan to the Property-Level Lender may be secured by an assignment of such mortgage, deed of trust or security deed. Different property types involve different types of risk in terms of realizing on the collateral in the event that the borrower (be it the Property-Level Lender on the loan from the Company or the Property-Level Borrower on the loan from the Property-Level Lender) defaults. These risks include completion costs in the case of an incomplete project, partial resale for condominiums and tracts and lease-up (finding tenants) for multi-family residential, small commercial and industrial properties. The lender may not be able to sell a foreclosed commercial property, for example, before expending efforts to find tenants to make the property more fully leased and more attractive to potential buyers. Moreover, foreclosure statutes vary widely from state to state. Properties underlying defaulted loans will need to be foreclosed upon in compliance with the laws of the state where such property is located. Many states require lengthy processing periods or the obtaining of a court decree before a mortgaged property may be sold or otherwise foreclosed upon. Further, statutory rights to redemption and the effects of anti-deficiency and other laws may limit the ability for a lender to timely recover the value of its loan in the event that a borrower defaults on a loan. Any delay in recovery will correspondingly result in a delay in the recovery of principal by the Noteholders. Although the Stated Maturity Date of the Notes may be modified or extended in accordance with the servicing standard set forth in the Indenture, if recovery is delayed until after the Stated Maturity Date on the corresponding Notes, Noteholders will not share in such recovery.

Borrower bankruptcy will prevent the prompt exercise of foreclosure remedies

Where an underlying loan is secured, if the borrower enters bankruptcy, an automatic stay of all proceedings against the borrower's property will be granted. This stay will prevent the lender from foreclosing on the property unless relief from the stay can be obtained. Significant legal fees and costs may be incurred in attempting to obtain relief from a bankruptcy stay and from the bankruptcy court and, even if such relief is granted, it may take several months or more to obtain. In such event, the lender will be unable to promptly exercise its foreclosure remedy and realize any proceeds from a property sale. In addition, bankruptcy courts have broad powers to permit a sale of the real property free of a lender's lien, to compel the lender to accept an amount less than the balance due under the underlying loan and to permit the borrower to repay the loan over a term which may be substantially longer than the original term of the loan. In such event, a bankruptcy court's order would have a material adverse effect on the ability of the Company to make payments of interest and principal on the Notes in accordance with their terms.

A tenant's default in performing lease obligations, or the tenant's bankruptcy, could adversely affect cash flow from the property and materially adversely affect Noteholders

In the event that a tenant defaults in performing its lease obligations or there is an early termination of a lease by a bankrupt tenant and the tenant is not promptly replaced, this will have a materially adverse effect on the property's operating cash flow, which could materially adversely affect the Company's ability to make payments of interest and principal on the Notes. In the event such tenant is not promptly replaced, such early termination may also result in unanticipated expenses to re-let the premises, in which case the lender and/or servicer may incur legal costs and other costs that would not likely be recouped and could reduce the amount of interest and/or principal received by the lender and ultimately reduce the amount of interest and/or principal payable to the Noteholders.

A failure by the borrower to observe customary loan document covenants could materially adversely affect the Noteholders

The loan documents will generally contain customary covenants for such a note-on-note transaction, and the loan documents relating to the Property-Level Loan will also generally contain customary covenants for such loans, such as requirements relating to the maintenance of the property securing the debt, restrictions on pledging and creating other liens on the property, restrictions on incurring additional indebtedness and restrictions on transactions with affiliates. A failure by a borrower to make timely payments of principal and interest on loans or to observe these loan covenants could result in the declaration of a default by the lender. The consequences of a declaration of default of the Property-Level Loan include foreclosure of the mortgage, resulting in loss of both the property and the income it produces, the incurrence of substantial legal costs, and the imposition of a deficiency judgment if the foreclosure sale does not result in proceeds sufficient to satisfy the mortgage. In addition, if any loan of the Property-Level Borrower contains cross-default provisions, a default under one loan could result in a default under other loans. A default by the Property-Level Lender under the loan from the lender would also result in the incurrence of substantial legal costs. The occurrence of any of the foregoing events would materially adversely affect the ability of the Company to make payments of interest and principal on the Notes.

The loans on which the Notes are dependent may not impose certain financial restrictions on borrowers during the term of the loan, which may increase the likelihood that a borrower may not make payments on the loan in accordance with their terms

If a loan does not restrict the borrower from incurring additional indebtedness and such borrower incurs additional debt after the funding of the loan, the additional debt may adversely affect the borrower's and its corporate and individual guarantor's creditworthiness generally, and could result in the financial distress, insolvency, or bankruptcy of the borrower, its affiliated companies and principal guarantors. In such event, this occurrence would adversely affect the borrower's ability to make payments on the loans and the Noteholder's ability to receive the principal and interest payments on the Notes that are dependent on those underlying loans. To the extent that the borrower has or incurs other indebtedness and cannot pay all of its indebtedness, the borrower may choose to make payments to other creditors, rather than to the lender on the underlying loan upon which the Notes are dependent for payment.

Obligors may commit fraud or intentionally hide, transfer or dispose of assets and/or otherwise delay, hinder or block lender's efforts to collect, enforce rights and exercise remedies under the loan

In the case of a default under the loan (or the Property-Level Loan), the applicable lender will be entitled to enforce its rights and exercise remedies against the obligors and collateral securing such loan. This process may include seeking payment from a guarantor under a guaranty or foreclosing on an asset subject to such lender's security interest. In the lender's enforcement process – or even prior thereto during the ordinary course of the loan or during the occurrence and continuance of a default – an obligor may commit fraud, hide, transfer or dispose of assets or otherwise seek to delay, hinder or block the lender from being able to exercise its rights and collecting on the loan. Any delay or inability to collect as a result would have a material adverse effect on the ability of the Issuer to make payments of principal and interest on the Notes.

The Property-Level Loan may be amended, or a consent or waiver or similar modification could be granted by the Property-Level Lender, in an impermissible manner despite there being restrictions on doing so in the loan documentation

The lender will not be a party to any of the Property-Level Loan documentation. Although the Property-Level Lender is prohibited from taking certain actions with respect to the Property-Level Loan without the consent of the lender, including amending or waiving the terms of the Property-Level Loan or consenting to the release of any collateral securing the Property Level Loan, the Property-Level Lender may nonetheless do so in violation of the loan agreement. In such case lender may not even be aware of any such actions until such action has negatively affected the lender as a result. If such an action were to be taken with the lender's consent, such action could have a material adverse effect on the ability of the Company to make payments of interest and principal on the Notes.

Although the loan is structured with triggers based on the Property-Level Loan, the lender will not be in direct contact with the Property-Level Borrower and will rely on the Property-Level Lender for updates and reporting on the Property-Level Loan

The lender will not be in direct contact with the Property-Level Borrower, and as such will rely on the Property-Level Lender for updates on the property or the Property-Level Loan. The lender has built triggers and protections into its documentation based on the performance of the Property-Level Loan, including whether such loan is in default. If the Property-Level Lender fails to report to the lender as it is required, the lender may not be able to enforce, or may be delayed in enforcing, its rights and remedies as set forth in the loan documents or at law or equity. If the Property-Level Lender fails to adequately report to the lender, this could have a material adverse effect on the ability of the Company to make payments of interest and principal on the Notes.

Noteholders may be subject to the risk of loss arising from direct or indirect exposure to various catastrophic events, which may have a material effect on global financial markets.

The Noteholders may be subject to the risk of loss arising from direct or indirect exposure to various catastrophic events, including the following: hurricanes, earthquakes and other natural disasters; terrorism; and public health crises, including the occurrence of a contagious disease. To the extent that any such event occurs and has a material effect on global financial markets or specific markets in which the Company, the Manager, any sponsor, originator, third-party partner or the borrower or any guarantor or other obligor operates or participates (or has a material effect on locations in which the any of the foregoing entities operate or participate) the risks of loss can be substantial and this will have a material adverse effect on the yield of the Notes or ability of the Issuer to repay Noteholders.

The Notes may be subject to risks arising from a novel strain of coronavirus (known as COVID-19), which has had a material effect on global financial markets and has caused a disruption of manufacturing supply chains and local and global economies.

In December 2019, COVID-19 surfaced in Wuhan, China, which has resulted in the temporary closure of many corporate offices, retail stores, and manufacturing facilities across China and South Korea, among other affected countries. These closures have caused the disruption of manufacturing supply chains and local and global economies, the duration of which remains uncertain. As of June 2020, COVID-19 has spread across the world, which has resulted in additional market disruptions. The extent to which COVID-19 may negatively affect the operations or performance of the Company, the Manager, any Sponsor, Originator, third-party partner or the Borrower or any guarantor or other obligor is difficult to predict. Any potential impact on such operations and performance will depend to a large extent on future developments and new information that may emerge regarding the duration and severity of COVID-19 and the actions taken by authorities and other entities to contain COVID-19 or treat its impact. These potential impacts, while uncertain, could have a material adverse effect on the yield of the Notes or ability of the Issuer to repay Noteholders.