YS ALTNOTES I LLC SERIES NOTE SUPPLEMENT
BORROWER PAYMENT DEPENDENT NOTES SERIES NO. YS REL VII LLC

TRANSACTION

Overview: YieldStreet Real Estate (through the special purpose entity YS REL VII LLC, "YS SPV" or "Lender") has closed and funded a $3.325M first mortgage loan ("Loan"), equating to a loan basis of $229k per acre, on 08/04/20 to refinance an existing loan (of amount $3.45M) originated by Yieldstreet Real Estate on 07/12/19 ("Original Loan"). The Original Loan was offered for investment on the Yieldstreet platform as North Florida Pre-Development Financing. The purpose of the refinance is to effectuate a sale transferring ownership from an entity controlled by the former sponsor to a joint venture entity. The joint venture entity is owned and controlled in equal parts (i.e., on a 50/50 basis) by an affiliate of an experienced Florida-based developer of large, high-profile master-planned residential and resort communities ("Sponsor 1" and "Principal 1" respectively) and an affiliate of the principal of a Florida-based family-owned real estate development company ("Sponsor 2" and "Principal 2" respectively, collectively with Sponsor 1, the "Sponsors" and with Principal 1, the "Principals"). Affiliates of the Principals ("Guarantor 1", "Guarantor 2", collectively the "Guarantors") have provided an $850k debt service, carry and principal repayment guarantee for the Loan and a bad act carve-out.

The Loan is secured by 3 parcels (14.51 acres total, of which 12.35 are buildable) of retail-zoned land (the "Property") in St. Johns County, Florida. The Property is part of a greater development, which upon completion is expected to consist of over 3,200 residences, 700,000 SF of retail, 200,000 SF of office space, and 1,500,000 SF of flexible/light industrial space. The Sponsors plan to sell subdivisions of the Property. The Sponsors have received indicated interest on four subdivisions totaling 3.9 acres for preliminary purchase price of $3.4M, or $865k per acre. Outstanding pre-development work pertains to the widening of a road which runs along the Property, and which is expected to be complete by end of October.

At origination, the Original Loan had a principal balance of $4.0M and was secured by 4 parcels of land totaling 23.5 acres. A portion of the collateral (8.6 acres or 36.7% of the collateral) was sold to a builder for $3.75M on 7/2/20 to build a structure for a supermarket, which executed a 20 year lease with seven options to extend for five years each. The Original Loan was subsequently paid down by $550k, reducing the principal outstanding to $3.45M. Loan proceeds were used to refinance $3.325M of the outstanding principal. The Sponsors collectively contributed $1.3M in cash equity plus $500k of Sponsor 1 equity rolled over ($1.8M total equity).

Sources	**$**	**%**		**Uses**	**$**	**%**
Yieldstreet Loan	$3,325,000	64.7%		Purchase Price	$4,950,000	96.4%
Sponsor 1 Equity Roll	$500,000	9.7%		Origination Fee	$16,625	0.3%
Sponsor 1 Cash Equity	$42,868	0.8%		Stub Interest	$25,861	0.5%
Sponsor 2 Cash Equity	$892,868	17.4%		Tax Holdback	$5,000	0.1%
Sponsor 1 & 2 Deposit	$375,000	7.3%		Closing Costs	$138,251	2.7%
Total	**$5,135,737**	**100.0%**		Total	$5,135,737	100.0%

Distribution: 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 Loan 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 Loan. In connection with making the Loan, the Lender received an origination fee equal to 0.5% of the principal amount of the Loan, which origination fee will be distributed to the Issuer (or an affiliate thereof). For the avoidance of doubt, such origination fee will not reduce the target rate of interest paid to the investors.

This Series Note Supplement describes the underlying transaction as well as this series of Notes offered for sale by YS ALTNOTES I 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): The Loan
- Maximum Aggregate Principal Amount of this Series of Notes: $3,325,000

- Stated Maturity Date: 02/04/22
- Target Interest Rate: 9.0%

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.

Structure: The Loan has an initial 12-month term with one six-month extension option. Yieldstreet investors are scheduled to receive monthly interest payments at an annualized rate of 9.0% over the investment's term. The Loan has a gross interest rate of 10%. YieldStreet Management, LLC will receive a management fee of 1%. Principal is expected to be repaid from parcel(s) sale proceeds, or a refinance thereof. The extension option is subject to the conditions that there has been no default under any loan documents and that the Loan's LTV is not more than 60.0%.

The parcel sales/refinances are subject to certain release provisions.

- If the outstanding principal balance of the Loan is equal to or greater than $2.0M, then the minimum release price (i.e., the amount that must be repaid to YS SPV in respect of the Loan) is the greater of: 1) 100% of the net sales and/or refinance proceeds and 2) an amount equal to the product of $800k and the number of acres being released.
- If the outstanding principal balance of the Loan is less than $2.0M, then the minimum release price is the greater of: 1) 85% of the net sales and/or refinance proceeds and 2) an amount equal to the product of $800k and the number of acres being released.

The Property is the primary security for the Loan, but there are additional downside features to further secure repayment. Such features include:

- While the Sponsors are permitted to sell portions of the Property, the Loan may never represent more than 60.0% of the "As-Is" value of the remaining collateral.
- An affiliate of each Sponsor has jointly and severally provided an $850k debt service, carry and principal repayment guarantee.
- The Guarantors are collectively required to maintain a net worth in excess of $10.0M at all times based on the market value of its real estate assets. Additionally, cash and equivalents are required to remain in excess of $500K.
- The Sponsors have each provided a bad actor carve-out guaranty. In the event of any fraud, misrepresentation, willful misconduct, gross negligence and/or other situations where the Loan is willfully impaired, jointly or severally, by the Sponsors, the YS SPV would have recourse to the Guarantors.
- The Borrower and Guarantors are required to submit financial statements within 45 days of each quarter-end, providing visibility into the strength of the guarantees supporting the Loan.

Composition: The Property consists of 3 parcels of retail-zoned land across 12.35 buildable acres, located approximately 25 miles south of Jacksonville, Florida in Northern St. Johns County. St. Johns County lies between the St. Johns River and Florida's Atlantic coast. Interstate 95 and Highway 1 run alongside the Property, allowing for a 25-minute northward drive to Downtown Jacksonville or a 20-minute southward drive to historic St. Augustine. The Property is part of a greater 3,000-acre mixed-use development project, which upon completion is expected to consist of over 3,200 residences, 700,000 SF of retail, 200,000 SF of office space, and 1,500,000 SF of flexible/light industrial space. The value of the Property is expected to benefit from demand generated by the surrounding project. As of July 2020, over 900 residences have been sold or leased-up, and a land parcel in immediate proximity to the Property is expected to be developed into a supermarket which executed a 20-year lease.

Yieldstreet Real Estate engaged CBRE, a full service commercial real estate firm, to conduct an appraisal ("Appraisal") of the Property as of 07/23/20. Based on the Appraisal's "As-Is" Property valuation of $6.0M, the Loan has an LTV of 55.3%. The Appraisal's valuation on a per acre basis is $487k, as compared to the Loan basis of $229k per acre. The refinancing was effectuated through a sale of the Property for purchase price of $4.95M ($341k per acre) and total cost of $5.14M ($328k per acre), equating to a loan-to-purchase price of 67.2% and 64.7% respectively. The conclusions of the Appraisal are shown by parcel below:

	Acres (Buildable)	Valuation ($)	Valuation/Acres
Parcel 1	2.9	$1,550,000	$540,071
Parcel 2	6.2	$2,720,000	$436,597
Parcel 3	3.3	$1,740,000	$535,385
Total	12.4	$6,010,000	$486,640
LTV		**55.3%**	

According to CoStar, a leading commercial real estate data provider, retail construction activity in Jacksonville, and particularly St. John's County, has been elevated, with over 1.4M SF delivered each year in 2017-2019, and 900k SF delivered in 2020. St. Johns County retail vacancy rates have increased from 3% in the beginning of 2019 to 3.9% in 2Q20, and CoStar expects such rates to remain elevated at approximately 4.0% thereafter. CoStar expects the coronavirus pandemic to cause significant economic disruption in the Jacksonville area. However, it believes the market may be well poised for recovery as its economy is less exposed to the retail/trade/leisure/hospitality sectors, with jobs in the aforementioned sections representing 22% of Jacksonville's employment as compared to over 27% in most Florida metros. Due in part to its port, Jacksonville's largest employment sector is trade, transportation, and utilities with 19% of jobs, followed by healthcare and education, which make up 18% of the work force.

In connection with the Original Loan, the original lender obtained a zoning opinion from a local counsel, Rogers Towers, attesting to the appropriate land use. Per the zoning opinion, the zoning designation permits the development of residential dwellings at a density of two units per acre and non-residential density of 10,000 SF per acre, and therefore the Property is believed to be in compliance with applicable zoning designations for the intended retail purposes. The Sponsors report that the outstanding pre-development work pertains to the widening of a road which runs along the Property, and which is expected to be completed by the end of October 2020.

The Sponsor's business plan is to sell or lease subdivisions of the Property to retail developers. The Sponsors are in negotiations with several counterparties who have submitted letters of interest (LOIs) to purchase or lease subdivisions of the Property. As of 07/23/20, four parties have submitted or are preparing LOIs for the purchase of four separate subdivisions (no overlapping interest), with an indicative total purchase price of $3.4M (average $/acre of $865k). The Sponsor has further received two LOIs for long-term leases.

Sponsor: The Sponsors and the Guarantors are affiliates of the respective Principals.

Principal 1

Principal 1 is an experienced Florida-based developer of large, high profile master-planned, mixed-use residential and resort communities. Entities managed by Principal 1 have developed over 30,000 homes. Principal 1's investments are concentrated in Florida, Texas and California. As of 12/31/19, currently active entities managed by Principal 1 have developed 6 multi-family projects, delivering over 1,500 residential units. Total project costs for the projects was $239M, and total sale price was $323M, equating to a sale price to project cost multiple of 1.35x. The Principal's investments have reportedly incurred no principal loss for debt or preferred equity providers over the last ten years.

Guarantor 1 is an affiliate of Principal 1. As of 12/31/19, Guarantor 1's financial statements reported total assets of $25.7M, corresponding to fair market value of $35.6M, which included $2.0M in cash. Guarantor 1 had total liabilities of $0.3M, which equated to member's equity value of $25.3M, corresponding to $35.3M at fair market value. The majority of assets related to $15.3M in JV investments, corresponding to $22.6M at fair market value. Guarantor 1also reported $1.4M in real estate assets, corresponding to $4.0M at fair market value, and $7.0M in receivables.

An affiliate of Sponsor 1 is sponsor on the following Yieldstreet offerings: Florida Multi-Family Preferred Equity and Multi-Family Preferred Equity.

Principal 2

Principal 2 is the principal of a Florida-based family-owned real estate private equity company ("Principal 2 Company"). Principal 2 Company focuses on the acquisition and development of shopping centers and office buildings. It owns and operates a diversified commercial portfolio throughout the U.S. of approximately 2M SF. According to an SREO (statement of real estate owned) as of 03/31/20, Principal 2 Company had ownership interests in 32 properties with equity value of $142M, of which 27 ($125M equity value) corresponded to retail, 4 ($19M equity value) corresponded to office and 1 ($6M equity value) corresponded to land.

Guarantor 2 is an affiliate of Principal 2. As of 12/31/19, Guarantor 2 had net worth of $30.3M, with liquidity of $11.1M.

APPENDIX

Exhibit B - 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 C – Statement of Confidentiality

This Confidential Series Note Supplement (this "Series Note Supplement") was prepared by YS ALTNOTES I LLC (the "Issuer") solely for informational purposes, from materials and information supplied by the Sponsors. 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 February 10, 2020 and the Amended and Restated Borrower Payment Dependent Notes Indenture dated February 10, 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 D - 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

An investment in the Notes is dependent on the ability of the borrower to repay principal and interest on the underlying Loan made by the lenders to the borrower to fund the real estate project. 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 properties

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 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 Issuer or the Manager.

The underlying Loan secured by the properties 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 Issuer or the Manager.

Adverse changes in the factors above could affect the borrower's ability to make payments on the underlying 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 borrower to pay on its underlying Loan in a timely manner will depend on factors such as these. The Issuer's obligation to make payments on the Notes is solely dependent on the ability of borrower to pay on its Loan, and therefore the inability of the borrower to make payments either timely or at all, will have a material adverse effect on the ability of the Issuer to make payments of interest and principal on the Notes.

Furthermore, a decline in the value of the property or loss of liquidity in the capital markets could negatively impact the borrower's ability to refinance the 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 borrower's ability to obtain refinancing of the Loan, which could have a material adverse effect on the Issuer's ability to repay the principal of the Notes. Furthermore, if the sale of the property is required to repay the Loan, a decrease in the value of the property to the extent that the underlying Loan exceeds the value of the property would result in the sale of the property failing to generate sufficient proceeds to repay the underlying Loan, which would have a material adverse effect on the Issuer's ability to repay the principal of the Notes.

The success of the real estate project investment is dependent on the performance of the borrower and other third parties over which the Issuer has no control

With respect to the property, either the borrower (or a third-party real estate management company affiliated with or engaged by 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 project investment or expose it to unanticipated operating risk, which could reduce the property's cash flow and adversely affect the borrower's ability to repay the underlying Loan, which could have a material adverse effect on the ability of the Issuer 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 borrower's ability to repay the underlying Loan, which could have a material adverse effect on the ability of the Issuer to make payments of interest and principal on the Notes.

Loans ending with large "balloon" payments carry particular risks

An underlying loan may be an interest-only loan providing for relatively small monthly payments with a large "balloon" payment of principal due at the end of the term. A borrower may be unable to repay such balloon payments out of its own funds and will be compelled to refinance or sell its property. Fluctuations in real estate values, interest rates and the unavailability of mortgage funds could adversely affect the ability of a borrower to refinance its loan at maturity or successfully sell the properties for enough money to pay off the underlying loan.

Insurance against risks faced by the properties could become costlier or unavailable altogether, and there is no requirement for the 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 borrower's ability to continue insuring the properties at a reasonable cost or could result in insurance being unavailable altogether. Moreover, any hazard losses not then covered by the borrower's insurance policy could result in the 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 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 lender may have to defend or otherwise resolve, the cost of which may impact the profitability of the properties.

The property valuation models used by the Manager in determining whether YS SPV should make or participate in the 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 YS SPV should make or participate in the 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 borrower (or lender after foreclosure on the properties) 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 borrower (or lender) has for such events. The Manager will attempt to limit exposure to such conditions by conducting due diligence on the properties prior to advising the YS SPV to make the Loan, however, all or some of these conditions may not be discovered or occur until after the Loan has been funded.

Security of the underlying Loan 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. Different property types involve different types of risk in terms of realizing on the collateral in the event that the borrower 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 lenders may not be able to sell a foreclosed commercial property, for example, before expending efforts to find tenants to make the properties more fully leased and more attractive to potential buyers. Moreover, foreclosure statutes vary widely from state to state. A property underlying a defaulted loan 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 the lenders to timely recover the value of their loan in the event that the borrower defaults on the Loan. Any delay in recovery will correspondingly result in a delay in the recovery of principal by the Noteholders.

Investing in mezzanine debt involves greater risks of loss than senior loans secured by the same properties

Investments in mezzanine debt carry a higher degree of risk of loss than senior secured debt investments, because in the event of default and foreclosure, holders of senior liens will be paid in full before mezzanine investors and, depending on the value of the underlying collateral, there may not be sufficient assets to pay all or any part of amounts owed to mezzanine investors. Moreover, mezzanine debt may have higher loan-to-value ratios than conventional senior lien financing, resulting in less equity in the collateral and increasing the risk of loss of principal. If the borrower defaults or declares bankruptcy, a holder of mezzanine debt may be subject to agreements restricting or eliminating its rights as a creditor, including rights to call a default, foreclose on collateral, accelerate maturity or control decisions made in bankruptcy proceedings. In addition, the prices of lower credit quality securities are generally less sensitive to interest rate changes than more highly rated investments, but more sensitive to economic downturns or individual issuer developments. An economic downturn, for example, could cause a decline in the price of lower credit quality securities because the ability of obligors of instruments underlying the securities to make principal and interest payments may be impaired.

Borrower bankruptcy will prevent the prompt exercise of foreclosure remedies

Where the 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 lenders 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 lenders will be unable to promptly exercise its foreclosure remedy and realize any proceeds from the property sale. In addition, bankruptcy courts have broad powers to permit a sale of the real property free of the lender's lien, to compel the lenders 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 Issuer 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 Issuer'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 lenders 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 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, such as requirements relating to the maintenance of the properties securing the debt, restrictions on pledging and creating other liens on the properties, restrictions on incurring additional indebtedness and restrictions on transactions with affiliates. A failure by the borrower to make timely payments of principal and interest on mortgage loans or to observe these loan covenants could result in the declaration of a default by the lenders. The consequences of a declaration of default include foreclosure of the equity of the borrower or, in the case of a senior loan, 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 the Loan of the borrower contains cross-default provisions, a default under one loan could result in a default under other loans. The occurrence of any of the foregoing events would materially adversely affect the ability of the Issuer to make payments of interest and principal on the Notes.

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

If the Loan does not restrict the borrower from incurring additional indebtedness and the 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 Loan and the Noteholder's ability to receive the principal and interest payments on the Notes that are dependent on the underlying Loan. 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 lenders 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, the lender will be entitled to enforce its rights and exercise remedies against the obligors and collateral securing the loan. This process may include seeking payment from a guarantor under a guaranty or foreclosing on an asset subject to the lender's security interest. In the lender's enforcement process, an obligor may commit fraud, hide, transfer or dispose of assets or otherwise seek to delay, hinder or block the lender from exercising 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 Note.

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 August 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.