Real Estate Backed Loans

NS2	500,000 Dai	5,000 Dai	4%	Nov, 2020
New Silver 2 DROP (NS2DRP) and TIN (NS2TIN) Tokens	target launch size	minimum Investment	DROP APR[1]	launching as evergreen pool with daily NAV

Summary

We are pleased to offer prospective investors the opportunity to gain exposure to real estate backed loans originated by New Silver Lending LLC. New Silver Lending LLC ("New Silver" or the "Asset Originator") has launched NS Pool LLC (the "Issuer"), a Delaware limited liability company, which will offer for sale to investors tokens, as described below, corresponding to certain payment obligations owed to the Issuer by various real estate developers.

The Issuer will issue two tranches of ERC-20 tokens: New Silver 2 DROP Tokens with the token ticker symbol NS2DRP ("DROP" or the "DROP Token(s)") and New Silver 2 TIN Tokens with the token ticker symbol NS2TIN ("TIN" or the "TIN Token(s)"), which will be offered for sale to investors on the terms described herein and in the New Silver 2 DROP and TIN Subscription Agreements provided to prospective investors.

The DROP Token will be a senior token that generates a fixed rate of return when deployed in financings. The TIN Token will be a subordinated token that will be subject to the first losses up to their full value, thereby acting as a buffer against losses to investors in the DROP Tokens. Issuer will target a 4% APR for DROP (the "DROP APR")[1] and the ratio of DROP to TIN will have a minimum ratio of 15% TIN. The TIN Tokens will also be purchased by New Silver and Centrifuge to demonstrate their confidence in the asset pool.

Issuer will use Centrifuge, Inc.'s ("Centrifuge") blockchain protocol system, known as the Tinlake Protocol, to mint the DROP Tokens and TIN Tokens. Issuer's use of the Tinlake Protocol will be subject to the terms and conditions of that certain Tinlake Protocol Service Agreement, dated as of November 20, 2020 (the "TPSA"), between the Issuer and Centrifuge.

Warning Regarding the Use of Forward-Looking Statements

This Executive Summary contains forward-looking statements that involve substantial risks and uncertainties. All statements, other than statements of historical facts, included in this Executive Summary regarding investments, debt instruments, investment companies,

[1]DROP will only generate a fixed return (the "DROP APR") while being deployed in actual financing. The IRR will be less than the DROP APR caused by the cash drag of Dai being invested in the pool but not being deployed in actual financing.

investment strategies, future operations, future financial positions, future revenues, projected costs, prospects, plans, objectives of management and expected market growth are forward-looking statements. The words "anticipate," "believe," "estimate," "expect," "intend," "may," "plan," "predict," "project," "will," "would" and similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain these identifying words. These forward-looking statements may include, among other things, statements about expected rates of return and interest rates, the attractiveness of the Tinlake Protocol and the Asset Originator's products, the Asset Originator or the Issuer's financial performance and operations; and general economic developments which may affect the Issuer, the Asset Originator or the asset pool.

There can be no assurance that actual events will correspond with the above forward-looking statements and should in no event be considered a guarantee that those future events, activities, occurrences or performances will in fact happen. The information in this Executive Summary concerning the prior experience of the Asset Originator and the Issuer is not necessarily indicative of the results to be expected in the future.

Summary of Terms

Originator Details	
Asset Originator	New Silver Lending LLC
Largest Markets	United States
Years in Operation	2

Asset Details	
Payment Obligation	Commercial purpose real estate loans secured by first liens on the subject property
Average Loan Size	$238,000
Time Outstanding	12 to 24 months
Underlying Asset Foreclosure Rate	0% since inception in 2019
Loan to Cost and Loan to Value	Up to 90% of loan to cost with an average of 85% loan to value
Asset Repayment Premium	7% to 12% per year
Type of Advance	Fix and flip loan; if applicable, split into (1) Purchase Loan and (2) Construction Loan

Offering Details	
Special Purpose Vehicle	NS Pool LLC
Target Launch Size	500,000 Dai
Token Investment	- New Silver 2 DROP Token (token ticker symbol "NS2DRP") or - New Silver 2 TIN Token (token ticker symbol "NS2TIN")
Launch Date	November 20, 2020
Term	Up to 24 months, with an average of 8 months
Seniority	- Senior if NS2DRP are purchased - Junior if NS2TIN are purchased
Distribution Waterfall	Distributions will be made pro rata to DROP Token investors until fully repaid (principal plus interest); thereafter all further distributions will be made pro rata to TIN Token investors.
First Loss % / TIN Ratio %	15% minimum

Maximum Epoch Duration	6 days
Security Structure	506(c) offering under Regulation D of the U.S. Securities Act of 1933
Investor Tax Documents	1099-MISC
Investors	Available to U.S. and Non-U.S. Persons; U.S. Persons must be verified “accredited investors”. Not available in the Commonwealth of Massachusetts.

About the Asset Originator

Founded in 2018, New Silver is a technology enabled non-bank lender primarily focused on providing commercial purpose, real estate-backed financing for the United States “fix and flip” sector with a concentration on single-family residential assets. Fix and flip loans allow real estate investors to finance both the purchase and the construction, or in some cases, refinance an existing investment property with sufficient equity.

New Silver’s proprietary technology automates loan originations and speeds up underwriting, while using data science to reduce risk. Furthermore, New Silver’s FlipScout tool uses intelligence in order to help find projects with the highest return on investment.

To date, the company originated over $50mm loans and has had no foreclosures. At the current time, the company is originating volumes of $2mm to $5mm per month, and anticipating growing that to $10mm per month over the next 6 months.. As of the date of issuance, the management team is confident in the stability of the single family residential (SFR) sector - consumer mortgage rates are historically low, as is the housing supply and average days on market. Forbearances are continuing to decline[2], pointing to a robust and appreciating real estate marketing in the United States.

Asset Pool Description

The Issuer will be financing fix-and-flip loan requests on New Silver’s platform. The Issuer anticipates financing less than 10% of the overall loan requests coming through their platform with an average loan amount of $238,000. The property types are classified into “Single Family 1-4 unit” or “Multi-family 5+ unit”. Presently, these are the maximum leverages allowed by New Silver to be considered for financing:

- Maximum After Rehab Value - 80%[3]
- Maximum Loan to Project Cost - 90%[4]

NS2 will be a revolving evergreen pool. Upon repayment by the Borrowers the Issuer will

[2] https://www.mba.org/2021-press-releases/may/share-of-mortgage-loans-in-forbearance-decreases-to-422-percent
[3] After Rehab Value is the estimated cost of the property after construction is completed
[4] Loan to Project Cost or Loan to Cost is calculated by dividing the loan amount by the purchase price plus construction cost

distribute any capital requested for withdrawals and then will redeploy the remainder into new loan requests. NS2 will be open for investment and withdrawal on a regular basis based on the frequency of an Epoch as determined by the Issuer and defined by the Maximum Epoch Duration. The total value of the pool is expected to grow steadily.

DROP investors will not receive any payments of principal or interest in respect of any DROP Tokens until such time as the Investor elects to redeem such DROP Tokens. Until such redemption, all amounts payable to the Investor in connection with the DROP Tokens will be either (i) held in cash by the Issuer, free and clear of any liens or encumbrances, or (ii) deployed by the Issuer to fund the generation of new Underlying Assets.

DROP Tokens will generate a fixed 4% DROP APR[5] and will be senior in right of re-payment and redemption to TIN Tokens, which will represent at least 15% of the pool. New Silver and Centrifuge have agreed to invest among other investors in the TIN tranche to demonstrate their confidence in the asset pool. All changes to this Executive Summary will be announced 2 (two) weeks prior to the effective date of the change(s).

The offering will be made available to accredited U.S. investors and international investors through a private placement under Regulation D and Regulation S of the U.S. Securities Act of 1933. The Issuer intends to utilize Section 506(c), which allows for general solicitation of the offering. Each U.S. investor will be required to have their status as an "accredited investor" verified prior to their initial purchase of DROP Tokens or TIN Tokens and periodically thereafter. Verification will be performed by Centrifuge or a third-party designee. This offering is not available to residents of the Commonwealth of Massachusetts. For international investors, local laws and regulations will apply.

Fix and Flip Loans

Proceeds of this offering will be used to finance commercial purpose, fix and flip loans (also referred to as bridge or ground up loans). Fix and flip loans allow real estate investors to finance both the purchase and the construction, or in some cases, refinance an existing investment property with sufficient equity.

When a borrower submits a loan request via New Silver's online platform, New Silver makes use of its proprietary technology and data to underwrite the loan in real time, and offers the borrower conditional approval, terms and rates. Upon acceptance by the borrower, New Silver orders a third-party appraisal of the property. The appraisal confirms both as-is and after-rehab values. Furthermore, New Silver collects and reviews due diligence information on the borrower and borrowing entity. Upon final approval, a real estate closing with a partner attorney is initiated. The attorney reviews the title and puts together the closing package as required by state regulations.

[5] DROP will only generate a fixed return (the "DROP APR") while being deployed in actual financing. The IRR will be less than the DROP APR caused by the cash drag of Dai being invested in the pool but not being deployed in actual financing.

In the majority of cases, the total loan amount is split into (1) the Purchase Loan and (2) the Construction Loan. The Purchase Loan is used to finance the purchase of the property and is advanced at the closing. The Construction Loan is used to reimburse the construction costs.

Loan servicing includes management of the construction loan draw process. When the borrower completes a certain amount of construction work, they request a draw from New Silver. New Silver verifies the work has been completed using a third-party inspection service. Upon verification, New Silver reimburses the borrower for part of the Construction Loan, so that the maximum Loan to Value and/or Loan To Project Cost does not exceed loan terms. This process is repeated until all of the construction funds have been disbursed.

At loan maturity or a liquidity event, the loan is paid off in full (principal and any outstanding interest).

Due Diligence

The founding team combines 20+ years of experience in the real estate industry and technology. The team has developed a fast, user-friendly online approval process as well as proprietary underwriting technology that uses a data driven risk mitigation approach.

Below is a list of various data points and due diligence information considered when underwriting each loan (these data points are subject to change)

(1) FICO score of the borrower: FICO score provides a historical risk score on each of the borrower guarantors

(2) Verification of experience: Borrower experience is determined in the number of rehab projects the borrower has successfully carried out in the past

(3) Borrower Liquidity: New Silver checks borrower's bank statements to ensure they have enough to cover the closing, third party fees and at least 3 months of interest payments

(4) Appraised Property Value: This appraisal is carried out by a third-party appraiser on site. This includes the As-Is and After Rehab values in cases where construction will be required.

(5) Automated Property Valuation: this is an automated, API based property valuation from one of New Silver's partners (primarily Clear Capital)

(6) Average Days on Market in Zip Code: how many days a property stays on the market in a given zip code.

(7) Monthly Sales Count by ZIP Code: how many properties are sold per month in a zip code.

(8) Standard Deviation from Median Sales Price in Zip Code: how different is the sale price of this property from the median in a specific zip code

(9) Median sale price for zip code to ARV %: how different is the After Rehab Value of a property compared to others in the zip code

(10) FHFA HPI Maximum Yearly Decrease 2006-2018 in County and State vs National

(11) ZHVI (Zillow Home Value Index)

(12) Census Data: Various census data such as average household income and town population.

(13) Borrower and entity background: background criminal and civil litigation check on borrower and entity

(14) Entity Good Standing: certificate of Good Standing from the state

(15) Corporate docs: various corporate documents such as Operating Agreement

(16) OFAC sanctions list

(17) Insurance: adequate liability insurance is required

(18) Flood zone: if the property is in the flood zone, flood insurance is required

Default Procedures

Real estate is one of the oldest asset classes, and thus, extensive regulation and precedent has been set around the handling of potential defaults. We describe the possible default scenarios here. These steps are handled by New Silver in conjunction with their loan servicer or legal partner.

Resolution Steps:

1. Notice of default is sent to the borrower
2. Contact with the borrower is made, a loan workout is initiated (forbearance modification). Payments resume after workout completes.
3. In the event the borrower is unable to make further payments, steps are taken to take over the property without going through courts - options are deed in lieu or taking over control of the borrower's legal entity.
4. In the event the borrower is unresponsive or unwilling to take the necessary steps, a foreclosure process is initiated. This process is different in each state and could take up to 6 months or longer to complete.

ANNEX A
INVESTMENT RISK FACTORS

In addition to those risk factors provided in the Subscription Agreement, Annex A to this Executive Summary sets forth additional risk factors related to an investment in DROP or TIN Tokens. Please carefully read the risks described in Annex A, and the risks described in the Subscription Agreement before investing in DROP or TIN Tokens.

Terms used in this Annex A but not defined in the Executive Summary will have the meaning set forth for such terms in the Subscription Agreement provided to potential investors in connection with their prospective purchase of DROP or TIN Tokens.

Tax treatment of the New Silver DROP and TIN Tokens

For purposes of this offering, a full analysis of the classification and likely treatment of the DROP and TIN Tokens for tax purposes has not been performed. Investors are advised to consult with their independent tax advisers regarding the tax consequences of investing in the DROP and TIN Tokens. Any anticipated United States federal or state income tax benefits may not be available and, further, may be adversely affected through adoption of new laws or regulations or amendments to existing laws or regulations. Neither the Issuer, New Silver, nor Centrifuge is providing any warranty or assurance regarding the ultimate availability of any tax benefits to the Investor by reason of the purchase.

Issuer's business operations and financial condition is susceptible to fluctuations in general economic conditions; Effect of COVID-19 or another global event

Economic downturns may negatively affect the real estate industry, which in turn may have a material adverse impact on the Issuer's business operations and financial condition, including the Issuer's ability to generate or acquire Underlying Assets, or to collect payments on the Underlying Assets.

The COVID-19 pandemic has contributed to a significant decline in business operations in many industries. In the real estate industry, the pandemic has led many companies to pause their operations temporarily. Such events may affect New Silver's business operations. Other pandemics, wars or other global events may cause companies to go out of business, stop operations or material change their agreement terms, thus affecting how New Silver is able to conduct business and potentially affecting its ability to service and collect on the Underlying Assets.

In addition, laws, orders, public guidance, and other measures taken by governments worldwide in response to the COVID-19 pandemic are unpredictable, and continued developments in response to changing conditions are likely. Laws, regulations, and orders which may adversely affect the operations of businesses in general may also adversely affect the businesses of the Issuer and the real estate industry generally. At this time, such impacts are difficult to predict in nature, scope and duration, and may continue to change as the COVID-19 pandemic continues or another global event ensues.

No federal or state authority regulates the Issuer

The Issuer is not directly supervised or regulated by any federal or state authority with respect to the activities contemplated in the Subscription Agreement.

General real estate risks

Each of New Silver, the Issuer, and holders of DROP Tokens and TIN Tokens will be subject to the risks that generally relate to an investment in real estate. Real estate historically has experienced significant fluctuations and cycles in performance that may result in reductions in the value of properties corresponding to the Underlying Assets, which may affect the collateralization of the Underlying Assets as well as borrowers' ability to make payments on the Underlying Assets. The performance and value of the Underlying Assets will be subject to many factors beyond the control of the Issuer or New Silver.

The ultimate performance and value of an Underlying Asset will depend upon, in large part, the applicable borrower's ability to manage and resell such property so that it produces a sufficient return to pay the interest and principal due in respect of the corresponding Underlying Asset. The value of the Underlying Assets may be adversely affected by: changes in national or local economic conditions; changes in local real estate market conditions due to changes in national or local economic conditions or changes in local property market characteristics, including, but not limited to, changes in the supply of and demand for competing properties within a particular local property market; changes in interest rates and the credit markets which may affect the ability to finance, and the value of, investments; changes in real estate tax rates and other operating expenses; changes in governmental rules and fiscal policies, civil unrest, acts of God, including pandemics, earthquakes, hurricanes, and other natural disasters, acts of war, or terrorism, which may decrease the availability of or increase the cost of insurance or result in uninsured losses; changes in governmental rules and fiscal policies which may result in adverse tax consequences, unforeseen increases in operating expenses generally; decreases in consumer confidence; government taking of properties by eminent domain; various uninsured or uninsurable risks; adverse changes in zoning laws; the impact of present or future environmental legislation and compliance with environmental laws; and other factors that are beyond the control of New Silver or the Issuer, or the control of the borrowers.

Any of the foregoing factors, as well as a variety of other factors, could adversely impact the return on and the value of the Underlying Assets, which could in turn adversely impact the Issuer's ability to make payments in respect of redeemed DROP Tokens and TIN Tokens.

Borrower default risk

Borrowers may (i) be subject to legal proceedings by their partners, contractors, suppliers or other third parties which may affect their ability to complete planned upgrades to a property or to sell such property, (ii) be unable to finish planned construction on a property for a variety of reasons which may or may not be foreseeable, (iii) be unable to resell a property, or to realize the anticipated resale price for a property, (iv) be file for bankruptcy, or be subject to involuntary bankruptcy or insolvency proceedings, or (v) be subject to a variety of other events or circumstances which delay or prevent the successful completion of construction or impair the borrower's ability to repay in full all interest and principal due and owing in respect of a loan. As a result, despite due diligence conducted by New Silver for loans originated through its platform, there can be no assurance that any borrower will pay in full all interest and principal due and owing in respect of any loans to which such borrower is a party.

The Issuer may not recoup the full value of an Underlying Asset in foreclosure

The Underlying Assets are intended to be secured by first priority liens on the corresponding property. In the event that a borrower defaults on an Underlying Asset, the Issuer may, in its sole discretion, elect to exercise its security interest and foreclose on the corresponding property. Investors in the DROP Tokens and TIN Tokens will have no ability to direct or control the Issuer's or New Silver's loan servicing or collections practices, nor will investors have any right or authority to direct or control any foreclosure proceedings initiated by the Issuer or by New Silver.

There can be no assurance that, in the event that the Issuer or New Silver initiates foreclosure proceedings against a defaulting borrower, that such proceedings will be successful, or, in the event that such proceedings are successful, that the Issuer or New Silver will be able to successfully liquidate the applicable property and recoup the full amount outstanding in respect of the Underlying Asset. The foreclosure process varies from jurisdiction to jurisdiction and can be lengthy and expensive. Borrowers may resist foreclosure actions by asserting claims, counterclaims, and defenses against the Issuer or New Silver, even when such assertions may have no basis in fact, in an effort to prolong the foreclosure action. During the foreclosure proceedings, a Borrower may have the ability to file for bankruptcy or its equivalent, potentially staying the foreclosure action and further delaying the foreclosure process. Foreclosure litigation may create a negative public image of the property corresponding to the defaulted Underlying Asset and may result in difficulty liquidating the property. The value of the collateral property could also be negatively impacted if a defaulting borrower were to damage the property, negligently or intentionally, while still in possession. Even if foreclosure proceedings are successful, and the Issuer takes possession of a property corresponding to a defaulted Underlying Asset, there can be no assurance that the Issuer will be able to resell such property for an amount sufficient to recoup the full amount owing to the Issuer in respect of the corresponding Underlying Asset. Additionally, the ownership, management and liquidation of properties may be costly, and may substantially reduce the amount of funds available to the

Issuer to make payments in respect of redeemed TIN Tokens and DROP Tokens.

In certain circumstances, the Issuer may lose priority of its lien to mechanics or materialmen's liens, whether by acts of Borrowers or in accordance with applicable law, which may reduce the total amount that the Issuer is able to recover in respect of an Underlying Asset in the event of a default. In such event, the Issuer may elect, in its sole discretion, to pursue a deficiency judgment against the applicable borrower.

The value of the collateral securing the Underlying Assets may be affected by general or local economic conditions, property values, interest rates, environmental factors, including without limitation environmental contamination, real estate tax rates, applicable laws and governmental policies, acts of God, casualties for which insurance is not available or obtainable, and a variety of other factors beyond the Issuer's or New Silver's control. Any diminution in the value of a property securing an Underlying Asset may impair the Issuer's ability to recoup any amount owing and unpaid in respect of the corresponding Underlying Asset in the event of a default by the applicable borrower thereon.

Risk of lack of knowledge in certain geographic markets

New Silver facilitates the origination of loans to borrowers in a wide range of geographic regions. Each real estate market has nuances and factors that affect property values, marketability, desirability and demand that may not be easily understood by persons not familiar with such market. Although New Silver and the Issuer believe that they can mitigate this risk through their underwriting process, there can be no assurance that loans to borrowers across all geographic regions will perform as expected.

Environmental risks

The discovery of environmental contamination on a property corresponding to an underlying Asset could substantially affect the value of such property and the applicable borrower's ability to resell the property and repay the corresponding Underlying Asset, and could trigger a legal obligation by the property owner to remediate such environmental contamination. Under applicable law, failure by the property owner to perform required environmental remediation may give rise to a lien on the property in respect of remediation costs, which, in some cases, may take priority over the Issuer's lien securing the corresponding Underlying Asset.

Lack of geographic diversification

New Silver may facilitate the origination of loans wherever allowed by state law and may adjust its target lending areas at any time, without prior notice. As a result, the Underlying Assets owned by the Issuer may always not be geographically diversified. In the event of the occurrence a natural disaster, act of God, economic event or condition, or any other event or circumstance affecting Underlying Assets or corresponding properties in a particular geographic region, a large proportion of the pool of Underlying Assets owned by the Issuer may be adversely affected.