

EXHIBIT B: RISKS OF INVESTING

THE PURCHASE OF SHARES IS SPECULATIVE AND INVOLVES SIGNIFICANT RISK, INCLUDING THE RISK THAT YOU COULD LOSE ALL YOUR MONEY OR EVEN MORE. THE PURCHASE OF SHARES IS SUITABLE ONLY FOR INVESTORS WHO FULLY UNDERSTAND AND ARE CAPABLE OF BEARING THE RISKS.

SOME OF THE RISKS ARE DESCRIBED BELOW. THE ORDER IN WHICH THESE RISKS ARE DISCUSSED IS NOT INTENDED TO SUGGEST THAT SOME RISKS ARE MORE IMPORTANT THAN OTHERS.

You Might Lose Some or All of Your Money: When you buy a certificate of deposit from a bank, the Federal government (through the FDIC) guarantees you will get your money back. Buying Shares is not like that at all. The ability of the Company to make the distributions you expect, and ultimately to give you your money back, depends on a number of factors, including some beyond our control. Nobody guaranties that you will receive distributions, and you might lose some or all of your money.

Risks of Real Estate Industry: Real estate can be risky and unpredictable. For example, many experienced, informed people lost money when the real estate market declined in 2007-8. Time has shown that the real estate market goes down without warning, sometimes resulting in significant losses. Some of the risks of investing in real estate include changing laws, including environmental laws; floods, fires, and other acts of God, some of which are uninsurable; changes in national or local economic conditions; changes in government policies, including changes in interest rates established by the Federal Reserve; and international crises. The real estate market has been in an upswing for 10 years, suggesting that a downturn might be in the near future.

Risks of Inflation and Rising Interest Rates: During 2022 consumer-level inflation reached levels not seen for 40 years, and the Federal Reserve responded by raising interest rates significantly. Historically, rising interest rates have been associated with lower real estate values because potential buyers cannot afford the higher mortgage payments. In addition, if inflation reduces real wages, it could affect the ability of tenants to pay rent.

Project-Specific Risks:

- 1) **The Company has no history of investing in real estate.** Three East Main Owners LLC ("3EMO") has no prior history in investing in real estate or making any other kind of investments. 3EMO was formed solely to manage and facilitate investment in Three East Main Property, LLC, which will own and redevelop the property at 3 East Main Street, Springville, NY for the development of the expansion Art's Café and related rental housing units While the manager of the Company has experience investing in and developing Real Estate, the Company does not.
- 2) **3EMO will make an investment in a single project and therefore is not diversified, which increases the risk to your investment.** The money you invest will be used by 3EMO to support the development of a single project at 3 East Main Street. If the project fails and Café is unable to operate successfully, there will be no other investments to offset the loss from this project and

there will be a substantial risk that you will not receive any returns and could lose your entire investment. Three East Main Property LLC is a newly formed business in the development stage. There is no prior sales history. There is no assurance that Three East Main Property LLC will generate expected revenues and/or that its operations will be profitable. Should Three East Main Property LLC experience a prolonged period without profit, its ability to remain in business could be jeopardized. While the Three East Main Property LLC project was initiated and is supported by Springville Center for the Arts, Inc., a nonprofit organization with a long history, it is a separate and distinct entity.

- 3) Fixed Price Offering.** This is a fixed price offering and the offering price of the units was arbitrarily determined and will not accurately represent the current value of the assets of Three East Main Property, LLC at any particular time; therefore, the purchase price you pay may be higher than the value of our assets at the time of your purchase. The price of Membership Units was arbitrarily set. This is a fixed price offering, which means that the offering price for membership units is fixed and will not vary based on the underlying value of the Company's assets at any time. Seth Wochensky has arbitrarily determined the offering price in his sole discretion. The fixed offering price for each membership unit has not been based on appraisals for any assets we may own, nor do we intend to obtain such appraisals or adjust the offering price. Therefore, the fixed offering price will not accurately represent the current value of the Company's assets at any particular time and may be higher or lower than the actual value of the Company's assets at such time. Similarly, the amount you may receive upon redemption of your units, will be no greater than, and may be less than, the amount you paid for the Membership Units regardless of any increase in the underlying value of any assets the Company owns.
- 4) The fixed price for Shares was determined to allocate tax credits and does not reflect the value of Shares.** The fixed offering price for the shares was set based on the anticipated amount of allocated profits, losses, and tax credits generated by the Project that will pass through to the Members. This price does not and will not reflect the value of such Membership Units either at the time of the offering or in the future. The price reflects the anticipated value of the investment, based on a structure that complies with applicable regulations and is common in similar projects, where the membership interest of the Company in 3 East Main Property LLC will be automatically reduced to 5% and the Company will hold an option to have its interests repurchased by SCA X, Inc. for the lesser of 5% of its investment or the fair market value of the Shares. The decision whether to exercise this "Put" option will rely entirely on the Manager.
- 5) During the first five years of the investment, there are limited projected cash distributions to the owners of the Shares.** Members owning Shares may only receive limited cash flow upside in addition to the tax credits. In order to receive the majority of tax credits, Class C Members must also receive 99% of all profits, losses, credits and other distributions during the first five years. Very little profit is projected during this time. At the conclusion of the fifth year, ownership undergoes a "flip" where Class C Members then receive only 5% of all profits, losses, credits and other distributions and Class A Members receive 95%. Financial projections for the first five years indicate very little distributions of cash flow being distributed to Members.

- 6) Changes in global, national, regional or local economic, demographic, political, real estate or capital market conditions may adversely affect our results of operations and returns to investors.** In addition to the risks of the specific project, 3EMO is subject to risks generally incident to the ownership of property including changes in global, national, regional or local economic, demographic, political, real estate, or capital market conditions and other factors particular to the locations of the respective property investments. The Company is unable to predict future changes in these market conditions. An economic downturn or rise in interest rates could make it more difficult for the Company or affiliated businesses to lease properties or dispose of them. In addition, rising interest rates could also make alternative interest bearing and other investments more attractive and, therefore, potentially lower the relative value of the Company's investment.
- 7) Adverse economic conditions in the regions where our assets are located may adversely affect our ability to complete and/or continue the project.** The success of operations depends substantially on Three East Main Property LLC's 3EMP ability to complete the project and the lease the units. Adverse conditions in the region may affect 3EMP's ability to succeed. Specifically, 3EMP may not be able to stay in business and the ability of 3EMO to provide any distributions and/or return any investment is dependent upon the Tenant's ability to operate at a profit.
- 8) Our properties are subject to property and other taxes or payments in lieu of taxes that may increase in the future, which could adversely affect our cash flow.** The property that 3EMO intends to invest in will be subject to real property taxes or payments in lieu of taxes that may increase as tax rates change and as the properties are assessed or reassessed by taxing authorities, especially given the planned renovations. 3EMP, an entity 3EMO intends to invest in, is responsible for payment of the taxes to the applicable governmental authorities. If 3EMP fails to pay any such taxes, the applicable taxing authorities may place a lien on the property, and the property may be subject to a tax sale.
- 9) Uninsured losses or premiums for insurance coverage relating to property may adversely affect our operating results.** Contracts and leases for the project require the attempt to adequately insure all of the properties against casualty losses. There are types of losses, generally catastrophic in nature, such as losses due to wars, acts of terrorism, earthquakes, floods, hurricanes, pollution or environmental matters that are uninsurable or not economically insurable, or may be insured subject to limitations, such as large deductibles or co-payments. In addition, 3EMP could be held liable for indemnifying possible victims of an accident. There can be no assurance that funding will be available to the Company for repair or reconstruction of damaged property in the future or for liability payments to accident victims.
- 10) Environmental hazardous conditions may adversely affect our operating results.** Under various federal, state and local environmental laws, a current or previous owner or operator of property may be liable for the cost of removing or remediating hazardous or toxic substances on such property. Such laws often impose liability whether or not the owner or operator knew of, or was responsible for, the presence of such hazardous or toxic substances. Even if more than one person

may have been responsible for the contamination, each person covered by the environmental laws may be held responsible for all of the clean-up costs incurred.

11) We depend on the Advisor and its key personnel; if any of such key personnel were to cease employment with the Advisor or its affiliates, our business could suffer. Our ability to make distributions, achieve our investment objectives and return any investment is dependent upon the performance of the Company's Manager, E. Seth Wochensky. The Company currently does not have, nor do we expect to obtain, key employee life insurance on any of the key personnel. If 3EMO were to lose the benefit of the experience, efforts and abilities of key personnel or a skilled advisor through their resignation, retirement, or other reasons, our operating results could suffer.

12) The Project may not qualify for Federal or State tax credits. While the National Park Service has issued a preliminary decision that the project qualifies for tax credits as a significant building, that the work done to date qualifies and that the remaining planned work as submitted meets the required standards, there is a risk that the Project will not meet the requirements for the historic tax credit set forth in Internal Revenue Code Section 47. In order for the Project to be eligible for historic tax credits, it must meet the statutory requirements of Internal Revenue Code Section 47, and be certified by the Department of the Interior. Even if it does meet the requirements, the IRS may challenge the calculation of the historic tax credit. The LLC Manager has estimated the projected amount of the historic tax credits, however that amount could change based on total amounts spent on qualified rehabilitation expenditures, which may be more or less than the LLC Manager's calculations. The receipt of tax credit is dependent on the issuance of a Certificate of Occupancy and the Issuance of a Part III Determination by National Parks Service.

13) Under Certain Circumstances an Investor might be required to recapture Historic Tax Credits. Historic tax credits are subject to recapture in the event of early disposition of the property. If 3EMP disposes of the historic tax credit property within five years after the property is placed in service or makes or allows tenants to make non-compliant improvements to the Property, investors will suffer recapture. Each investor's tax liability for the year of disposition will be increased by an amount equal to the historic tax credit claimed by the investor multiplied by a recapture percentage. The holding period for the property determines the recapture percentage, as follows: 100% recapture if the property is disposed of less than one year after the property is first placed in service, 80% recapture after one year, 60% after two years, 40% after three years, 20% after four years, and no recapture after five years. Recapture will also result if an investor sells or disposes of his entire interest in the Company within five years after the date a historic tax credit property was placed in service. Additionally, if an investor's interest in the profits of the Company is reduced to less than 66 2/3% of what it was when the historic tax credit property was placed in service, the reduction will be treated as a proportional disposition of the property by the investor. For example, if an investor disposes of 50% of his partnership interest in the first year in which a historic tax credit is claimed, then 50% of the historic tax credit will be recaptured. Accordingly, to the extent such limitation is permitted by law, no investor may sell or dispose of any interest in the Company for five years.

- 14) Certain Transition Rules may limit the Amount of Tax Credits.** The 3EMP entity in which the Company will invest will own the Project that is expected to qualify for historic tax credits. Historic tax credits are available for rehabilitation expenditures incurred in improving certified historic structures. The federal historic tax credit is generally equal to 20% of the qualified rehabilitation expenditures. Traditionally, the full amount of the historic tax credit is claimed in the year in which the rehabilitated structure is placed in service. However, the Tax Cuts and Jobs Act of 2017, amended the Internal Revenue Code to require that the historic tax credit would be taken ratably over a five-year time period. This legislation included a transition rule, which allowed projects owned or leased at all times following January 1, 2018, to continue to claim the entire amount of the tax credits the initial year that the project is placed in service, so long as the project begins incurring Qualified Rehabilitation Expenditures in the first 180 days of 2018.
- 15) New York State Tax Credit Refund will generate income to be recognized by Members:** To the extent a taxpayer is allocated New York State historic tax credits in excess of its New York State tax liability, it will receive a refund check for the amount of such overage. However, any amount of such income actually received must be recognized as income for federal tax purposes and may increase such taxpayer's federal tax liability.
- 16) New York State "Small Project" credit caps out at \$2.5 million:** 3EMP is anticipating incurring less than \$2.5 million in Qualified Rehabilitation Expenditures ("QREs"), making it eligible for a 30% NYS historic tax credit. If the project incurs more than \$2.5 million in QREs, the tax credit will be automatically reduced from 30% to 20%, resulting in fewer tax credits than anticipated.
- 17) Tax Credits are subject to passive activity limitations.** Investors can use historic tax credits only in limited amounts and in specific circumstances. The ability of an individual or other non-corporate investor to claim historic tax credits on their individual tax return is limited. For example, an individual investor can use historic tax credits to reduce his tax liability on an unlimited amount of passive income, which is income from investments in which the investor does not actively participate, and \$25,000 in income from active sources, which must be taken as the "deduction equivalent" of the credits. However, the use of historic tax credits by an individual against these types of income is subject to ordering rules, which may further limit the use of historic tax credits, meaning that they must first take passive losses into account. Additionally, there are certain exceptions to these limitations for Real Estate Professionals.

Historic tax credits and other tax credits are the principal benefits from an investment in Shares. The extent to which a prospective investor can use these tax benefits will help determine whether or not he is a suitable investor. With respect to natural persons, Federal tax law imposes limitations on the utilization of credits from passive activities and general business credits. Each of those categories includes Historic Tax Credits and other tax credits, which the Company may generate. Accordingly, an investment in Shares is not suitable for a prospective investor unless she will be able to utilize her share of tax credits under the passive activity rules discussed below. The Internal Revenue Code sorts income into several categories. Income can be active, such as salaries and wages; portfolio, such as interest and dividends, passive; such as income from limited

partnerships; or the result of material participation in real estate activities, such as the income of a landlord who invests significant amounts of time in managing their property.

Prospective non-corporate investors can use an unlimited amount of tax credits against income taxes due on passive income. They can also use deduction equivalent of the tax credits against income taxes due on a maximum of \$25,000 of active or portfolio income each year if they do not materially participate in rental real estate activities. This is known as the \$25,000 deduction equivalent rule. However, a natural person can use historic tax credits in this manner only to the extent his adjusted gross income does not exceed \$200,000. A natural person's ability to use historic tax credits is phased out if his gross income is between \$200,000 and \$250,000, and eliminated if his gross income exceeds \$250,000. In general, a natural person can use losses and credits from the Company only to the extent he or she has passive income.

INVESTMENTS INVOLVING TAX CREDITS ARE COMPLEX. YOU SHOULD CONSULT YOUR TAX PROFESSIONAL TO DETERMINE YOUR POTENTIAL TO BENEFIT FROM SUCH INVESTMENTS GIVEN YOUR CURRENT INCOME AND TAX SITUATION.

At-Risk Analysis, Non-qualified, Non-recourse financing: A partnership must be "At Risk" with respect to the funds used to complete the rehabilitation and cannot use "non-qualified, non-recourse financing" to fund the improvements (i.e. a loan from an affiliate) to fund qualified rehabilitation expenditures. To the extent it does so, the credit base of the property may be eroded, potentially reducing the amount of QREs and tax credits below the projected amount. If the Company is unable to obtain recourse or qualified non-recourse financing (i.e. from a bank) it may be forced to fund the project, in part, with non-qualified, non-recourse financing, which could reduce the amount of historic tax credits available.

Compliance with IRS Rev. Proc. 2014-12: The IRS has issued Revenue Procedure 2014-12 ("HTC Safe Harbor") which sets forth specific facts and circumstances by which the IRS will not challenge allocations of federal historic tax credits, including a prohibition on a "call" agreement, a prohibition on impermissible guarantees, upside and downside risk on the part of the Investor Member, and limitations on related party fees. Efforts have been made to comply with this HTC Safe Harbor, but there is no guarantee that the IRS would agree with such compliance, and in the event the IRS chose to challenge the structure and allocation of tax credits, the tax credits could be reallocated away from owners of the Shares (including retroactively) or could be recaptured.

Limited cash-on-cash return - In many cases tax credit investors will require a "floor" projected cash-on-cash return, sometimes just "positive" or in other cases as high as 3% or 5%, often evidenced by a third-party accountant's professionally prepared projections. Here, there are no accountant projections evidencing such a return adding risk that there might be no "cash-on-cash" return (despite the Priority Return paid to the Company by 3EMP).

Related Party negotiation of Investment Terms – E. Seth Wochensky is the President of SCA X, Inc. (the other member of 3EMP LLC) and the Manager of the Company. As such, E. Seth Wochensky largely determined the terms of the Company's investment in the Project without negotiation with another party.

In other historic tax credit transactions, the investor and developer typically extensively negotiate such terms. This may cause returns to the purchaser of shares to be worse than a tax credit investment opportunity negotiated among third parties.

Lack of Accountant – Typically a third-party accounting firm, specializing in historic tax credits, will prepare detailed projections regarding distributions of cash flows and capital proceeds, allocations of profits, losses, and tax credits, capital account analysis, return analysis, operating proformas and sources and uses by time analysis, among other projection schedules designed to give tax credit investors comfort and certainty around the allocations of credits and potential cash returns. Purchasers of Shares in this offering will not benefit from such projections and risk numerous potential pitfalls from not being able to review such projections.

Basis Reduction from Federal Historic Tax Credit – A member in a limited liability company or partner in a partnership must reduce its basis in a partnership the year the asset is placed in service (not the year the credits are claimed). This can cause the partner or member's capital account to go "negative" in the event they have credits in excess of adjusted basis (i.e. capital contributions, plus allocations of debt basis, and allocations of profits. In the event a member's capital account goes negative, they will be unable to be allocated any additional losses (i.e. depreciation).

Deficit Restoration Obligation - to the extent a partner's capital account is negative when the company is liquidated, or they exit the company, they may be required to make a capital contribution to restore any deficit capital account balance (or otherwise would be unable to claim tax credits. Members should be aware of this limited deficit restoration obligation and reference the Operating Agreement of the Company (Section 4.03(B) and Schedule B) for more details.

Project Value Could Decline: Factors that could cause the value of the Project to remain stable or decline include, but are not limited to:

- The continuing effects of the COVID-19 pandemic
- Changes in interest rates
- Competition from new and existing properties
- Changes in national or local economic conditions
- Environmental contamination or liabilities
- Changes in the local neighborhood
- Fires, floods, and other casualties
- Uninsured losses
- Undisclosed defects

- Regulatory changes
- Other events outside the Company's control

Non-Paying Tenants: In rental projects, some tenants might simply refuse to pay rent. Others might experience financial difficulties that makes it impossible to pay rent. Although we would ultimately have the legal right to evict a non-paying tenant and recover our damages, eviction proceedings can be long and expensive and if the tenant is unable to pay rent it is unlikely we could recover the damages due to us.

Lower-Than-Expected Occupancy Levels and/or Rents: There is no guarantee that the Project will achieve or sustain the occupancy or rent levels anticipated by our financial models. For example, a deterioration in general economic conditions caused by COVID-19 could put downward pressure on rents and occupancy levels in residential properties or prevent us from raising rents in the future. Similarly, the pandemic has called into question the need for and value of office space, possibly creating downward pressure on commercial valuations. Competition, especially from newer buildings with greater amenities, could have the same effect.

Incomplete Due Diligence: The Manager has performed significant "due diligence" on the Project, meaning it has sought out and reviewed information about the Project. However, due diligence is as much an art as a science. As a practical matter, it is simply impossible to review all of the information about a given piece of real estate and there is no assurance that all of the information the Manager has reviewed is accurate or complete in all respects. For example, sometimes important information is hidden or simply unavailable, or a third party might have an incentive to conceal information or provide inaccurate information, and the Manager cannot verify all the information it receives independently. It is also possible that the Manager will reach inaccurate conclusions about the information it reviews.

Environmental Risks: As part of its due diligence, the Manager will conduct an environmental assessment of the Project. However, no assessment is guaranteed, meaning that we could discover environmental contamination in the Project only after we buy it. Under Federal and State laws, the owner of real estate can be fully liable for environmental cleanup even if the owner did not cause the contamination and had no knowledge of the contamination when it acquired the property.

Liability for Personal Injury: As the owner of rental real estate, the Company will face significant potential liability for personal injury claims, *e.g.*, "slip and fall" injuries. Although the Company expects to carry insurance against potential liability in amounts we believe are adequate, it is possible that the Company could suffer a liability in excess of its insurance coverage.

Limited Warranties from Seller: The Company will likely obtain from the sellers of the Project only very limited warranties. In effect, the Company will buy the Project on an "as is" basis.

Casualty Losses: Fires, flooding, mold infestations, or other casualties could materially and adversely affect the Project, even if we carry adequate insurance. Climate change has increased the risk of unusual and destructive weather events.

Uninsured Losses: We will try to ensure that the Project is covered by insurance against certain risks, including fire. However, we may not carry insurance against the risk of natural disasters like earthquakes or floods, and there might be other risks that cannot be insured or cannot be insured at affordable premiums. Further, it is possible that we may accidentally allow our insurance to lapse. If the Project was damaged or destroyed as a result of an uninsured or under-insured risk, the Company could suffer a significant loss.

Need for Additional Capital: The Company might require more capital, whether to finance cost overruns, to cover cash flow shortfalls, or otherwise. There is no assurance that additional capital will be available at the times or in the amounts needed, or that, if capital is available, it will be available on acceptable terms. For example, if capital is available in the form of a loan, the loan might bear interest at very high rates, or if capital is available in the form of equity, the new investors might have rights superior to those of Investors.

Dilution of Ownership Interest: If the Company needs more capital, it might sell Shares at a lower price than you paid, resulting in “dilution” of your interest.

Operating Expenses: The costs of operating real estate – including taxes, insurance, utilities, and maintenance – tend to move up over time, even if the value of the real estate remains stagnant or declines. The Company will have little or no control over many of its expenses.

ADA Compliance: The Project will be subject to the Americans with Disabilities Act of 1990 (the “ADA”), which requires certain buildings to meet certain standards for accessibility by disabled persons. Complying with the ADA can be expensive and burdensome, and the failure to comply could lead to sanctions and expensive delays.

Construction Risks: The Project may require some construction, either ground-up construction or expensive renovations and/or modifications. Any construction project involves risk, including the risk of delays, cost overruns, unavailable materials, labor shortages or unrest, of inclement weather, and construction-site injuries, among others.

Real Estate is Illiquid: Real estate is illiquid, meaning it is harder to sell than other kinds of assets, like publicly traded stocks. There is no guarantee that we will be able to sell the Project when we want or need to sell it. In fact, the overall economic conditions that might cause us to want or need to sell the Project – a prolonged market downturn, for example – are generally the same as those in which it would be most difficult to sell it.

Risks of Relying on Third Parties: We will engage third parties to provide some essential services. If a third party we retain performs poorly or becomes unable to fulfill its obligations, our business could be disrupted. Disputes between us and our third-party service providers could disrupt our business and may result in litigation or other forms of legal proceedings (e.g., arbitration), which could require us to expend significant time, money, and other resources. We might also be subject to, or become liable for, legal claims by our tenants or other parties relating to work performed by third parties we have contracted

with, even if we have sought to limit or disclaim our liability for such claims or have sought to insure the Company against such claims.

No Right to Participate in Management of the Company: Investors will have no right to participate in the management of the Company. You should consider buying Shares only if you are willing to entrust all aspects of the Company's business to the Manager.

Reliance on Management Team: The Manager is a small company, with a small management team. If any of our principals were to die, become seriously ill, or leave, it could damage our prospects.

Risk of Inaccurate Financial Projections: The Company might provide prospective investors with financial projections, based on current information and our current assumptions about future events. Inevitably, some of our assumptions will prove to have been incorrect, and unanticipated events and circumstances may occur. The actual financial results for the Company will be affected by many factors, most of which are outside of our control, including but not limited to those described here. Therefore, there are likely to be differences between projected results and actual results, and the differences could be material (significant), for better or for worse.

Risk of Forward-Looking Statements: The term "forward-looking statements" means any statements, including financial projections, that relate to events or conditions in the future. Often, forward-looking statements include words like "we anticipate," "we believe," "we expect," "we intend," "we plan to," "this might," or "we will." The statement "We believe rents will increase" is an example of a forward-looking statement.

Forward-looking statements are, by their nature, subject to uncertainties and assumptions. The statement "We believe rents will increase" is not like the statement "We believe the sun will rise in the East tomorrow." It is impossible for us to know exactly what is going to happen in the future, or even to anticipate all the things that could happen. Our business could be subject to many unanticipated events, including all of the things described here.

Consequently, the actual financial results of investing in the Company could and almost certainly will differ from those anticipated or implied in any forward-looking statement, and the differences could be both material and adverse. We do not undertake any obligation to revise, or publicly release the results of any revision to, any forward-looking statements, except as required by applicable law. GIVEN THE RISKS AND UNCERTAINTIES, PLEASE DO NOT PLACE UNDUE RELIANCE ON ANY FORWARD-LOOKING STATEMENTS.

No Market for the Shares; Limits on Transferability: There are several obstacles to selling or otherwise transferring your Shares:

- There will be no public market for your Shares, meaning you could have a hard time finding a buyer.
- By law, you may not sell your Shares for one year except in limited circumstances (*e.g.*, to accredited investors or back to the Company).

- Under the LLC Agreement, Shares may not be transferred for the first 5 years after the building is placed in service.
- The Manager has the right to impose conditions on the sale of Shares, and these conditions might not be acceptable to you.
- If you want to sell your Shares, the Manager has a first right of refusal to buy them.

Taking all that into account, you should plan to own your Shares until the Project is sold

No Registration Under Securities Laws: Neither the Company nor the Shares will be registered with the SEC or the securities regulator of any State. Hence, neither the Company nor the Shares are subject to the same degree of regulation and scrutiny as if they were registered.

Incomplete Offering Information: The Shares are being offered pursuant to Reg CF. Reg CF does not require us to provide you with all the information that would be required in some other kinds of securities offerings, such as a public offering of securities. Although we have tried to provide all the material information we believe is necessary for you to make an informed decision, and we are ready to answer any questions you might have, it is possible that you would make a different decision if you had more information.

Lack of Ongoing Information: While we will provide you with periodic statements concerning the Company and the Project, we will not provide nearly all of the information that would be required of a public reporting company.

Reduction in Your Subscription: If we receive subscriptions from accredited investors for more than the total amount we are trying to raise in this Offering, we have the right to (1) increase the amount of money we are raising, (2) reject some of the subscriptions, or (3) reduce subscriptions. Thus, you could end up with fewer Shares than you intended, or none at all.

Lack of Cash to Pay Tax Liabilities: The Company will be treated as a partnership for Federal income tax purposes. As such, the taxable income and losses of the Project will “pass through” the Company and be reported on the tax returns of Investors. It is possible that for one or more years, the tax liability of an Investor arising from his, her, or its share of the Company taxable income would exceed the cash distributed to the Investor for the year in question, leaving the Investor with an out-of-pocket tax cost.

Conflicts of Interest: Conflicts of interest could arise between the Company and Investors. For example:

- It might be in the best interest of Investors if our management team devoted their full time and attention to the Company. However, the Company is only one of the businesses our team will manage.
- It is possible that our Manager will be involved with real estate projects that are competitive with the Project, directly or indirectly.

- The fees to be paid by the Company to the Manager and its affiliates were established by the Manager and were not negotiated at arm's length.

The Subscription Agreement Limits Your Rights: The Subscription Agreement will limit your rights in several important ways if you believe you have claims against us arising from the purchase of your Shares:

- In general, your claims would be resolved through arbitration, rather than through the court system. Any such arbitration would be conducted in the State of New York, which might not be convenient for you.
- You would not be entitled to a jury trial.
- You would not be entitled to recover any lost profits or special, consequential, or punitive damages.
- If you lost your claim against us, you would be required to pay our expenses, including reasonable attorneys' fees. If you won, we would be required to pay yours.

The LLC Agreement Limits Investor Rights: The LLC Agreement limits your rights in some important respects. For example:

- The LLC Agreement significantly curtails your right to bring legal claims against management, even if they make mistakes that cost you money. For example, the LLC Agreement waives any "fiduciary duties" the Manager would otherwise owe to Investors.
- The LLC Agreement limits your right to obtain information about the Company and to inspect its books and records.
- You waive your right to have the Company dissolved by a court.
- Disputes under the LLC Agreement will be governed by Delaware law and handled in Delaware courts.
- The LLC Agreement restricts your right to sell or otherwise transfer your Shares.

Breaches of Security: It is possible that our systems would be "hacked," leading to the theft or disclosure of confidential information you have provided to us. Because techniques used to obtain unauthorized access or to sabotage systems change frequently and generally are not recognized until they are launched against a target, we and our vendors may be unable to anticipate these techniques or to implement adequate preventive measures.

THE FOREGOING ARE NOT NECESSARILY THE ONLY RISKS OF INVESTING.

PLEASE CONSULT WITH YOUR PROFESSIONAL ADVISORS.