PRIVATE PLACEMENT MEMORANDUM

Private Offering Of "Class A" Membership Units of

CELESTE SUITES LLC,
an Illinois limited liability company

Offer Price (*per Unit*):	**$**	**100**
Minimum Individual Subscription Amount:	**$**	**100**
Minimum Offering Amount:	**$**	**125,000**
Maximum Offering Amount:	**$**	**250,000**
Offering Deadline:		**September 30, 2018**

****THIS OFFERING IS <u>ONLY</u> OPEN TO RESIDENTS OF THE STATE OF ILLINOIS****

Prepared as of June 12, 2018

NOTICES

THIS "OFFERING" IS ONLY OPEN TO RESIDENTS OF THE STATE OF ILLINOIS. The "Offering Documents" (*as defined below*), of which this Memorandum is a part, **ARE NOT INTENDED TO, AND DO NOT, CONSTITUTE AN OFFER OR SOLICITATION TO ANY PERSON WHO IS NOT A RESIDENT OF THE STATE OF ILLINOIS.**

The "Units" of the "Company" (*as described herein and in the other Offering Documents*) being offered for sale are subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under the Securities Act of 1933, as amended (*the "**Securities Act**"*), and the applicable state securities laws (*including the securities laws of the state of Illinois*), pursuant to registration or exemption therefrom. In particular, **FOR A PERIOD OF NINE (9) MONTHS FROM THE DATE OF THE SALE OF A UNIT BY THE COMPANY, ANY PERMITTED RESALE OF SUCH UNIT BY A PURCHASER WILL BE MADE ONLY TO PERSONS RESIDENT WITHIN THE STATE OF ILLINOIS.** Accordingly, investors should be aware that they will be required to bear the financial risks of this investment for an indefinite period of time.

INVESTMENT IN A UNIT INVOLVES A HIGH DEGREE OF RISK. NOTABLY, A PURCHASER OF A UNIT MAY NOT BE ABLE TO LIQUIDATE THEIR INVESTMENT IN SUCH UNIT WITHIN AN ACCEPTABLE TIME FRAME AND/OR WITHOUT SUBSTANTIAL OR COMPLETE LOSS OF VALUE IN THE EVENT OF EMERGENCY. Investment in the Units also involves various income tax and other risks (*see the "Risk Factors" section in this Memorandum for more information*). In making an investment decision investors must rely on their own examination of the offering Company and the terms of the Offering, including the merits and risks involved.

THE UNITS BEING OFFERED FOR SALE, AS DESCRIBED IN THIS MEMORANDUM, HAVE NOT BEEN REGISTERED UNDER THE SECURITIES LAWS OF THE STATE OF ILLINOIS AND ARE BEING OFFERED AND SOLD PURSUANT TO THE EXEMPTION FROM REGISTRATION PROVIDED IN SECTION 5/4(T) (*815 ILCS 5/4(T)*) OF THE ILLINOIS SECURITIES LAW OF 1953, AS AMENDED (*the "**Illinois Securities Act**"*). Accordingly, the Offering is subject to administrative approval of (*by failure to timely reject*) those certain offering documents and related materials to be filed by the Company with the Illinois Secretary Of State, Securities Department (*the "**Department**"*) pursuant to Section 130.493 (*14 ill. Adm. Code 130.493*), of the Administrative Regulations under the Illinois Securities Law of 1953, as amended. The issuance of securities, or the payment or receipt of any part of the consideration therefor, prior to the administrative approval (*by failure to timely reject*) by the Department is unlawful. The right of all parties with respect to the Offering (*including all obligations of any investor under the Subscription Agreement*) are expressly conditioned upon obtaining the administrative approval (*by failure to timely reject*) of the Department.

Notwithstanding the foregoing or anything contained herein to the contrary, the required administrative approval of the Department is expressly limited to reviewing satisfactory compliance with the filing provisions of Section 130.493 and the Department will not be deemed in any way to have passed on, given its approval, or otherwise endorsed the merits of the sale of the Units by the Company, the terms of the Offering and/or the accuracy or completeness of any selling literature (*including this Memorandum and the other Offering Documents*), and any representation to the contrary is unlawful.

THE UNITS BEING OFFERED FOR SALE, AS DESCRIBED IN THIS MEMORANDUM, HAVE NOT BEEN REGISTERED WITH THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION (*the* "***SEC***") **UNDER THE SECURITIES ACT**, or otherwise, nor is any such registration contemplated. The Units are being offered pursuant to an exemption from registration with the SEC; provided, however, that the SEC has not made an independent determination that the Units offered hereunder are exempt from registration. Further, neither the SEC nor the Department has passed on, given its approval or otherwise endorsed the merits of the sale of the Units by the Company, the terms of the Offering and/or the accuracy or completeness of any selling literature (*including this Memorandum and the other Offering Documents*), and any representation to the contrary is unlawful.

NO PERSON HAS BEEN AUTHORIZED TO MAKE ANY REPRESENTATIONS, OR TO GIVE ANY INFORMATION, WITH RESPECT TO THE UNITS, EXCEPT THE INFORMATION CONTAINED HEREIN, IN THE OTHER OFFERING DOCUMENTS, AND IN ANY OTHER DOCUMENTS AVAILABLE FROM THE COMPANY PURSUANT HERETO OR THERETO. Any representations other than those made part of one or more of the foregoing must not be relied upon**.**

PROSPECTIVE INVESTORS ARE NOT TO CONSTRUE THE CONTENTS OF THE OFFERING DOCUMENTS AS LEGAL, TAX, PENSION PLANNING, OR INVESTMENT ADVICE. Each investor should consult his/her/its own counsel, accountant, investment advisor or manager, and business advisor as to legal, tax, and related matters concerning any investment in the Units. No tax rulings from the Internal Revenue Service or the Illinois Department of Revenue have been or will be requested with respect to any U.S. Federal and/or Illinois income tax issues.

The Offering documents may contain certain Forward-Looking Statements within the meaning of Section 27A of the Securities Act (*the "**Forward-Looking Statements**"*) that involve substantial risks and uncertainties. When used in the Offering Documents, the words "anticipate," "believe," "estimate," "expect," "intend" and similar expressions as they relate to the Company or its management are intended to identify Forward-Looking Statements. The Company's actual results, performance or achievements could differ materially from the results expressed in, or implied by, these Forward-Looking Statements. Factors that could cause or contribute to such differences include those discussed under the caption "risk factors" below. The Company assumes no obligation to update any Forward-Looking Statements to reflect events or circumstances after the date of this document.

The Offering Documents are submitted in connection with the private placement of the Units and may not be reproduced or used for any other purposes. Any distribution of the Offering documents by you in whole or in part, is unauthorized.

[Remainder of Page Intentionally Left Blank]

TABLE OF CONTENTS

INDEX OF SELECT DEFINED TERMS

Private Placement Memorandum Of
CELESTE SUITES LLC

This Private Placement Memorandum (*this* "***Memorandum***"), prepared as of June 12, 2018, is being furnished to you ("***you***") on a confidential basis in connection with the offer and sale (*the* "***Offering***") by **CELESTE SUITES LLC**, an Illinois limited liability company (*the* "***Company***"), of up to Two Thousand Five Hundred (2,500) "Class A" membership units of the Company (*each a "**Unit**" and collectively, the "**Units**"*) being made, directly or indirectly, through VESTLO LLC ("***VestLo***"), a crowdfunding portal validly registered pursuant to Section 8(d) (815 ILCS 5/8(d)) of the Illinois Securities Act, as amended.

I. GENERAL INFORMATION

1. Offering Documents:

In connection with this Memorandum you have been given, or otherwise granted access to via the webpage(s) established in connection with the Offering (*the* "***Portal***"),[1] the following documents related to the Company and the Offering (*this Memorandum and the following documents being hereinafter sometimes referred to, individually and collectively, as the "**Offering Documents**"*):

- Each of the following Schedules/Exhibits (*being made a part of this Memorandum by physically attachment or by reference*):
  - **Schedule 1:** Definition of "Accredited Investor;"
  - **Schedule 2:** List of material equity holders of the Company;
  - Exhibit M-1: The Amended and Restated Operating Agreement of the Company (*the* "***Operating Agreement***");
  - Exhibit M-2: A Subscription and Joinder Agreement for the purchase and sale of Units and joinder to the Operating Agreement (*the* "***Subscription Agreement***");
- A payment instruction form for the payment of the subscribed Unit(s) (*the* "***Payment Instruction Form***");
- Those certain pitch, financial, marketing and other materials which describe the Company and the "Project" (*as such term is used herein*) in greater detail (*such materials, individually and collectively, the "**Supplementary Offering Materials**"*); and
- A copy of the "Escrow Agreement" (*as such term is used herein*), entered into by the Company with the "Escrowee" (*as such term is used herein*), for the deposit, and escrow, of investor funds in connection with, and pending the successful closing of, the Offering.

[1] It is anticipated that the Offering will be made available to eligible investors directly through the VestLo website (www.VestLo.com) and/or through a Company branded web page operated and maintained by VestLo for purposes of the Offering. As a result, as used herein, the term "Portal" will refer to www.VestLo.com and to such other Company branded web page created and maintained by VestLo in connection with the Offering (*if any*).

This Memorandum and the other Offering Documents discuss important aspects of the Company and the Units, including significant risks that may be associated with purchasing the Units. **YOU ARE URGED TO READ EACH OF THE OFFERING DOCUMENTS CAREFULLY BEFORE MAKING YOUR INVESTMENT DECISION.** Further, certain provisions of the agreements, documents, and records referred to in this Memorandum and the other Offering Documents may be summarized and such summaries do not purport to be complete. For complete information, you should consult the original documents, which are either attached as an appendix hereto or thereto or which are otherwise available for inspection at the Company's office upon request to the above person.

2. Questions/Additional Information:

The summaries of, and references to, various documents in this Memorandum do not purport to be complete. In each instance reference should be made to the copy of such document which is either attached (*by reference*) as an Exhibit/Schedule to this Memorandum, which has been made available to you through the Portal, or which will be made available to you upon request to the Company.

In addition, prior to purchase of the Units, you (*and your authorized representatives and agents, as applicable*), will have the opportunity to: (a) ask questions of, and receive answers from the Company concerning the terms and conditions of this Offering; and (b) to obtain such additional information as you (*or your authorized representatives and agents, as applicable*) may deem necessary to adequately review and assess the information set forth in this Memorandum and in the other Offering Documents. All questions regarding the Offering or the Company, and all requests for material and supporting documents in connection with the same not contained herein (*or which you do not otherwise have access to via the Portal*), should be made to the Company through, and in the manner provided on, the Portal.

3. Acknowledgements:

This Memorandum and the other Offering Documents are to be used solely by you in evaluating the potential purchase of the offered Units of the Company. By accepting delivery of this Memorandum, you hereby agree not to retain any of, and to immediately destroy all copies of, the Offering Documents in the event you elect not to purchase any of the offered Units of the Company.

The Units are being offered subject to prior sale, acceptance of an offer to purchase, withdrawal, cancellation, or modification of the offering without notice. Further, even if all of the Offering Documents (*as applicable*) have been executed, completed correctly and promptly delivered to the Company, the Company reserves the right to reject, in its sole discretion, any subscription to purchase Units in its entirety or to allocate to the subscribing investor a smaller number Units than the number of Units they desire to purchase. To the extent your subscription to purchase any of the offered Units is rejected by the Company, in whole or in part, any payments made by you to the Escrowee with respect to such rejected subscribed Units will be promptly refunded to you without interest.

[Remainder of Page Intentionally Left Blank]

II. THE COMPANY AND THE PROJECT

1. General:

The Company:

- is an Illinois Limited Liability Company which was formed on December 18, 2014;
- maintains its principal business address at: 67 East Cedar Street Chicago, Illinois, Attention: Michael Horrell;
- was organized for the principal purpose of owning, operating and otherwise dealing with, the Building (*as defined below*) and does not engage in any other business; and
- the Company does not own, and does not intend to own, any material assets other than the Building and such other assets as may be from time to time owned by the Company in connection therewith or otherwise related to the operation/maintenance thereof.

2. Management; Employees:

The Company is, and will be, managed solely by GORIANA ALEXANDER and MICHAEL HORRELL (*each such person being referred to herein individually as a "**Manager**" and collectively as the "**Managers**"*). For the avoidance of doubt, the Managers are Class B Members (*as defined below*) and own the overwhelming majority of the Class B Units (*as defined below*) of the Company.

In addition to the Managers there may be certain other officers of the Company (*individually and collectively, the "**Officers**"*) appointed from time to time to assist the Managers in the day to day operations of the Company and/or the Project. That being said, other than the Managers of the Company does not currently have any Officers or full time employees.

The Operating Agreement outlines the rights, duties, responsibilities, obligations and powers of the Managers and the other Officers of the Company and **you are strongly urged to consult the Operating Agreement for a detailed description of the same.**

3. Building/Project Description; Existing Debt:

The Company currently owns and operates the mixed use property located at 739 North Wells Street, Chicago, Illinois 60654 (*the "**Building**"*). The Building consists of three (3) separate floors and a basement. The top two (2) floors of the Building (*the "**Residential Parcels**"*) are zoned as residential units and the Company currently operates, and leases out, the Residential Parcels as short-term, luxury, rentals. The first floor and the basement of the Building (*each a "**Retail Space**"*) are zoned as commercial units and the Company currently operates, and leases out, each Retail Parcel to a commercial tenant on a long-term basis.

To better utilize the Retail Spaces, the Company desires to make certain improvements (*the "**Improvements**"*) to the Retail Spaces which are anticipated to cost, in the aggregate, approximately One Hundred Thousand Dollars ($100,000) (*all such costs, the "**Improvement Costs**"*) and are expected to be completed no more than four (4) months from the closing of the Offering. The Company intends to use a

portion of the Offering Proceeds to fund the Improvement Costs. However, the Managers have already commenced the Improvements and, upon closing of the Offering, it is intended that the Managers will be fully reimbursed for all such previously funded Improvement Costs from the proceeds of the Offering (*if any*). It should also be noted that, while the Supplementary Materials provide a breakdown of the anticipated Improvement Costs, such breakdown represents the best estimations of the Company and its Managers as to the total Improvement Costs as of the date hereof and is subject to change.

The Building is currently cash-flowing and profitable. While the Company maintains no ongoing lease with respect to either of the Residential Parcels, the Company currently generates significant positive cash-flow from the continued short-term rental of each of the Residential Parcels and intends to continue to operate the Residential Parcels in the same manner for the foreseeable future. Each of the Retail Spaces is (*or otherwise will be upon completion of the Improvements, as discussed below*) fully occupied pursuant to a long term, triple-net, lease and is expected to be (*or otherwise remain*) cash-flowing for the foreseeable future. It should however be noted that, to better position the Building for an acquisition opportunity (*as discussed below*), the Company has elected to lease each Retail Parcel to a related entity rather than an outside party. While each Retail Space tenant will be expected to pay rent/expenses pursuant to, and otherwise act in accordance with, their respective lease agreement, the primary intent of leasing the Retail Spaces to related rather than outside parties is to provide the Company with the flexibility to be able to easily terminate such leases in the event someone desires to acquire the Building in the near future. That being said, the Company may consider leasing one or both of the Retail Spaces to an outside party (*on a short or long-term basis*) in the future if it is in the best interest of the Company (*as determined by the Managers*).

The Company internal valuation as to the current market value of the Building is approximately $3.75 Million. The Building is however currently encumbered by two (2) loans (*such loans, individually and collectively, the "**Debt**"*) in the aggregate principal amount of approximately $1.53 Million as of the date of the Memorandum. As a result, as of the date of the Memorandum the Company estimates the net value of the Building to be $2.22 Million. However, the Company believes the current fair market value of the Building does not represent the true value of the property and that the anticipated future use of the Building as an acquisition prospect must also be considered.

The Building is located in an area which has recently become dominated by mixed-use high-rise developments; several of which are currently being constructed. As the lot the Building sits on is zoned DX-5 (*i.e. suitable for mixed-use high-rise developments*) the Company believes the Building is an ideal candidate to be purchased (*along with surrounding smaller lots*) in the near future, at a significant profit, in connection with a new high-rise development. While there is no guarantee such acquisition will occur, or that any such acquisition will result in a significant profit to the Company, the Company's plan is to own and operate the Building until it is able to sell the Building for a significant profit.

The Supplementary Offering Materials made available to you contain certain financial statements and other information regarding the current and expected ownership and operation of the Building; including (*among other things*) information related to: (a) the current Residential Lean and Retail Space 1 Lease; (b) the proposed Retail Space 2 Lease; and (c) the anticipated profitability with respect to a future sale of the Building.

As used herein, the term "***Project***" refers to the Company's ownership, management, maintenance and eventual sale of the Building, including all matters related to Building leases (*individually and collectively, the "**Building Leases**"*) and any successor lease.

.

The Supplementary Offering Materials contain, among other things:

- a more detailed description of the Building;
- a more detailed breakdown of the Improvement Costs; and
- certain financial statements and other information regarding the current and expected ownership and operation of the Building; including information related to:
  - the current Debt;
  - the Building Leases; and
  - the anticipated profitability with respect to a future sale of the Building.

YOU ARE URGED TO READ SUCH SUPPLEMENTARY OFFERING MATERIALS CAREFULLY BEFORE MAKING YOUR INVESTMENT DECISION.

4. Preferred Return; Participation Percentage:

Holders of the offered Units of the Company will be entitled to receive a cumulative, non-compounded, preferred return on their aggregate investment amount (*or such unreturned portion thereof*) at a fixed rate, per annum, equal to six percent (6%) (*the "**Preferred Return Amount**"*).

In addition to the Preferred Return Amount, the holders of the offered Units of the Company, as a group, will also be entitled to receive up to six and 68/100ths percent (6.68%) (*as calculated pursuant to the terms of the Operating Agreement*) of any and all other distributions to be made by the Company, if any. Such participation percentage is defined in the Operating Agreement as the "***Class A Participation Percentage***" (*for additional information, including an illustrative example of how such percentage is determined, see the definition of "Class A Participation Percentage" in the Operating Agreement*).[2] For the avoidance of doubt this means that the holders of the offered Units of the Company, as a group, will be entitled to receive up to six and 68/100ths percent (6.68%) of the total net proceeds (*after payment of any then unpaid Preferred Return Amounts*) actually received by the Company in connection with any sale of the Building.

It should be noted that the Class A Participation Percentage identified above is an estimate based on the assumption that the full proposed amount of the Offering is raised and the Offering is closed. The final percentage will be calculated on the Closing Date based on the total amount of Units actually purchased.

5. Distributions:

The Company's sole expected source of distributable cash will be the cash flow, if any, generated from the Project (*primarily from the amounts to be received from the Building Leases*). Accordingly, investors of the Units will not, and should not expect to, receive distributions unless, and

[2] While the Operating Agreement provides specifics as to how the final Class A Participation Percentage will be calculated based on the total amount raised from the Offering, the Class A Participation Percentage is intended to reflect the actual ownership percentage represented by the holders of the Units, as a group, based on the current valuation of the Company as discussed in Article II, Section 6.

until, the Company receives income from the Project. Further, distributions will be made to the members of the Company at such time, and in such manner as, is determined by the Managers in their sole discretion. That being said, while it cannot be guaranteed, the Company anticipates that it will be able to generate sufficient net cash flow from the Building Leases to allow it to, and that the Company will, make quarterly distribution payments of the Preferred Return Amount to the Unit holders.

To the extent authorized, all distributions of income from the Company (*including all distributions of operating income from the Building Leases and/or net proceeds from any sale of the Building*) will to be distributed by the Company to its members in the following order, proportion and priority:

- Tier 1: First, one hundred percent (100%) of all distributions will be paid to the holders of the Units (*as a group with such amount to be allocated among them, pro rata, based on their respective interests*) until each Unit holder has received cumulative distributions equal to their respective then accrued unpaid Preferred Return Amount, if any; then

- Tier 2: Second, one hundred percent (100%) of all distributions will be paid to the holders of the Units (*as a group with such amount to be allocated among them, pro rata, based on their respective interests*) until each Unit holder has received cumulative distributions equal to their respective then unpaid investment amount; then

- Tier 3: Any and all remaining amounts will be first split:

    - six and 68/100ths percent (6.68%) (*i.e. the Class A Participation Percentage*) to the holders of the Units, with such portion allocated to the Unit holders to be paid to, and among, such persons pro rata, based on their respective interests; and

    - ninety-three and 32/100ths percent (93.32%) (*i.e. 100% - the Class A Participation Percentage*) to the Class B Members with such portion allocated to the Class B Members to be paid to, and among, such persons pro rata, based on their respective interests.

For the avoidance of doubt, the Class B Members will not be entitled to receive any distributions from the Company unless and until the holders of the Units have each received an amount equal to their original investment amount respective plus the then accrued and unpaid Preferred Return Amount.

Further, the above waterfall provisions do **NOT** mean that you will, or should expect to, receive an actual return on your investment. This **ONLY** means that, to the extent the Project is profitable and the Company elects to make distributions to its members, the Company will be required to pay such amounts in the order, proportion and priority provided above.

For purposes of illustration **ONLY**, assuming: (a) the full $250,000 proposed amount of the Offering is raised and the Offering is closed; (b) the Offering proceeds have been fully applied as provided herein; (c) the Building is subsequently sold on the of the 2 year anniversary of the Closing Date for a net profit[3] of $1,000,000); (d) no distribution payments of the Preferred Return Amount to the Unit holders have been made, and the Company has no outstanding debt (*other than the Debt*), as of the date the

[3] Being net of all expenses incurred by, or otherwise on behalf of, the Company in connection with the offering and sale of the Building; including all payments to be made with respect to the Debt and all expenses with respect to applicable sales commissions, closing expenses, attorneys' fees, and related expenses.

Building is sold;[4] and (e) all sale proceeds received by the Company are immediately distributed to the members of the Company; the above waterfall would work as follows:

- Tier 1: First, $30,000 (*being 6% x the $250,000 of investor proceeds from the Offering, x two (2) years; i.e. the accrued and unpaid Preferred Return Amount for two (2) years*) of the $1,000,000 net profit from the sale proceeds would be paid to the holders of the Units (*as a group with such amount to be allocated among them, pro rata, based on their respective interests*); then

- Tier 2: Second, $250,000 (*being the total original investment of the Unit holders*) of the total $1,000,000 net profit would be paid to the holders of the Units (*as a group with such amount to be allocated among them, pro rata, based on their respective interests*); then

- Tier 3: The remaining $720,000 of the $1,000,000 net profit from the sale proceeds would be first split:

  - six and 68/100ths percent (6.68%) (*i.e. the Class A Participation Percentage*), or $48,096, to the holders of the Units, with such portion allocated to the Unit holders to paid to, and among, such persons pro rata, based on their respective interests; and

  - ninety-three and 32/100ths percent (93.32%) (*i.e. 100% - the Class A Participation Percentage*), or $671,904, to the Class B Members with such portion allocated to the Class B Members to be paid to, and among, such persons pro rata, based on their respective interests.

6. Capitalization:

Pursuant to the Operating Agreement, the Company is currently authorized to issue:

- an unlimited number of its non-voting "Class A" membership units (*i.e. the Units*); and

- an unlimited number of its voting "Class B" membership units (*the "**Class B Units**"*).

Each of the classes of membership units of the Company has varying rights with respect to voting and distributions as outlined in the Operating Agreement. Without limiting the generality of the foregoing, the Class B Units represent the sole class of voting equity of the Company. As of the date of this Memorandum none of the Units have been issued or are outstanding but the Company has issued certain Class B Units to GORIANA ALEXANDER and MICHAEL HORRELL, among others (*all such persons now or hereafter holding Class B Units being referred to herein, individually and collectively, as the "**Class B Members**"*).

As of the date of this Memorandum, GORIANA ALEXANDER and MICHAEL HORRELL collectively own ninety-seven percent (97%) of the total issued and outstanding Class B Units and thus control the overwhelming majority of sole class of voting equity of the Company. Further this majority ownership is expected to continue into the foreseeable future. As a result, in connection with any matter

[4] Again it is anticipated that the Company will be able to, and will, make quarterly distribution payments of the Preferred Return Amount to the Unit holders. However, for ease of illustration provisions we have assumed that the payment of all Preferred Return Amounts were deferred until the sale of the Building.

submitted to (*or which otherwise requires*) the vote of the members of the Company[5], the decision of GORIANA ALEXANDER and MICHAEL HORRELL would control with respect to such matter.

It is anticipated that, following the closing of the Offering:

- the investors purchasing Units will own:
  - in total, one hundred percent (100%) of the issued and outstanding "Class A" membership units of the Company; and
  - in total, approximately six and 68/100ths percent (6.68%) of the total issued and outstanding equity interests of the Company; and
- the Class B Members will own one hundred percent (100%) of the issued and outstanding Class B Units of the Company and, in total, approximately ninety-three and 32/100ths percent (93.32%) of the total issued and outstanding equity interests of the Company.

It should be noted that the percentages above are estimates based on the assumption that the full proposed amount of the Offering is raised, and that the Offering is closed, and are thus subject to change. The final percentages will be calculated on the Closing Date based on the total amount of Units actually purchased.

Please note, the above total ownership of the Company to be represented by the Units made part of the Offering was arbitrarily determined by the Company's management without regard to the actual total value of the Company's assets or earnings (*or the lack thereof*), book value or other generally accepted valuation criteria. **Please also note that, pursuant to the Operating Agreement, the Company is authorized to issue as many membership units, and as many classes of membership units, as it deems necessary from time to time. Further, the Company may subsequently sell additional "Class A" membership units (*i.e. the same as those being sold in the Offering*) at any time and from time to time. As a result of the foregoing, the above percentages may, and should be expected to, change significantly over time**.

7. Offering Expenses:

In connection with the Offering, the Company will pay (*or otherwise be required to pay*) certain fees and expenses contemporaneously with the Closing (*such fees and expenses, individually and collectively, the* "***Offering Expenses***"); including the payment of:

- a service fee to be paid to VestLo as compensation for certain portal and related services performed in connection with posting, facilitating and conducting the Offering; and
- certain legal, accounting, marketing, and professional/consultant fees, and other expenses, in connection with the negotiation, documentation and marketing of the Offering.

The Company intends to pay such Offering Expenses, in part, from the income received by the proceeds of the Offering, HOWEVER, all amounts paid by purchasers of the Units will be deemed to have been paid, and will be recorded in the books and records of the Company, in full,

[5] Except to the extent "class voting" (*or the like*) would be specifically required in connection with the subject matter pursuant to applicable law.

without offset for the payment of such expenses by the Company.

8. Ongoing Operating Costs:

In addition to the Offering Expenses and the Improvement Costs, the Company anticipates that it will likely incur certain other fees and expenses related to the Project (*the* "***Operating Costs***"). Such Operating Costs may include the payment of:

- costs and expenses related to the continuous rental of the units of the Building (*including certain broker fees to be paid in connection with the rental of such units*);
- principal and interest payments to be made with respect to the Debt;
- salaries, benefits and other amounts payable to Officers, employees and/or consultants retained by the Company from time to time (*if any*); and
- certain related legal, accounting, marketing, and professional/consultant fees, and other expenses.

The amount and type of all Operating Costs incurred by the Company will be at the sole discretion of the Managers and the Company intends to pay such Operating Costs from the proceeds (*if any*) of the Project. As an expense of the Company, the full amount of all such accrued and unpaid Operating Costs will be required to be paid prior to any distributions being made by the Company to its members. **As a result, and for the avoidance of doubt, the members of the Company (*including the holders of the Units*) will not be eligible to receive distributions from the Company unless and until all Operating Costs have been fully paid**.

9. Material Ownership:

The individual(s)/entity(ies) who, individually, hold ten percent (10%) or more of the Class B Units (*i.e. the voting equity interests*) of the Company as of the date of this Memorandum are identified on Schedule 2.

10. Tax Classification of the Company:

The Company has elected to be taxed as a partnership for federal income tax purposes. For further information please see Article VI below.

11. Legal Proceedings:

The Company is not a party to any pending, and is not aware of any threatened, lawsuits that, if adversely determined, would materially affect its financial position or operations.

III. TERMS OF THE OFFERING

1. General:

The Company is offering up to 2,500 Units on the following general terms:

- Offer Price: $100 per Unit (*the* "***Offer Price***").

- Purchase Price: Equals $100 multiplied by the total number of subscribed Units (*the* "***Purchase Price***").

- Min./Max. Investment Amount Per Investor:
  Minimum: 1 Unit (*i.e. $100; the* "***Minimum Investment Amount***"). No fractional Units are being offered for sale.
  Maximum: 50 Units (*i.e. $5,000*); unless the investor qualifies as an "Accredited Investor" (*as defined on Schedule 1 attached hereto and made a part hereof*) in which case such maximum investment amount would not apply.

- Min./Max. Offering Amount:
  Minimum: $125,000 (*the* "***Minimum Subscription Amount***")
  Maximum: $250,000

- Eligible Investors: The Offering will only be made to residents of the State of Illinois.

- Cancellation Right: See Article III, Section 4 below.

- Investment Term; Exit Strategy: **INDEFINITE**. There is no planned or expected exit strategy with respect to the sale (*or other transfer or divestment of*) of any of the Units which are the subject of this Memorandum and the other Offering Documents.

  Notwithstanding the forgoing, it is the Company's intent to sell the Building (*as a whole*), and/or its rights with respect thereto, within five (5) years, or at such later time as it makes the most economic sense to the Company and its members (*as determined by the Managers*).

- Escrow Arrangements: See Article III, Section 2 below.

- Closing of Offering: See Article III, Section 3 below.

- Expiration Date: The Offering is expected to expire on the earlier of (the "***Expiration Date***") means the close of business on September 30, 2018; provided that: (a) the Company may extend the period for accepting subscriptions until the date that is one (1) year from the date of the first accepted subscription for the purchase of a Unit(s) made as part of the Offering upon the election of the Company; and (b) the Offering may be withdrawn, cancelled or terminated by the Company, for any reason and without notice to any investor or potential investor, at any time prior to the Expiration Date.

To purchase one or more Units in this Offering, you must meet the requirements set forth above and

in the Subscription Agreement. **If you are unable to make the representations concerning the minimum requirements set forth above and in the Subscription Agreement, you will be deemed NOT to have received an offer by virtue of this Memorandum (*or any of the other Offering Documents*)**.

2. Escrow Arrangements:

FREEBORN & PETERS LLP will act as the escrowee (*the* "***Escrowee***") for the Offering. Any and all payments for Units are required to, and will, be deposited with the Escrowee. All such amounts will be held by the Escrowee, in escrow and without interest, in an account which will be under the sole control of the Escrowee (*the* "***Escrow Account***"), until the earlier of:

- the Closing Date;
- the Expiration Date;
- with respect to a particular investor, the date the investor's respective subscription to purchase Units is rejected by the Company; or
- with respect to a particular investor, the date such investor exercises their Cancellation Right.

To the extent you have subscribed to purchase one or more Units and the offering can be closed (*i.e. the Minimum Subscription Amount has been satisfied*), on the Closing Date the Escrowee will immediately deliver your purchase funds (*together with all other Offering proceeds*) to the Company where they will be available for use by the Company as set out herein. However, if your subscription is rejected by the Company (*in whole or in part*), the Minimum Subscription Amount has not been satisfied by the Expiration Date, or you have otherwise promptly exercised your Cancellation Right, the Escrowee will promptly refund (*without interest*) any payments made by you in connection with said subscription.

PLEASE NOTE, while all amounts received with respect to the purchase of Units while the Offering remains open will be held by the Escrowee as provided above, **no investor will be required to submit payment for their respective subscribed Unit(s) unless and until the Company is able to close the Offering and the Closing Notice is delivered** (*as discussed in Article III, Section 3 below*).

3. Closing of Offering; Closing Procedures:

If, and only if, the Company has received (*and accepted*) subscriptions for Units in an aggregate amount equal to, or greater than, the Minimum Subscription Amount, the Company may close the Offering and receive the related proceeds. Assuming that requirement has been satisfied, the Company anticipates that the closing of the Offering will be conducted as follows:

- First, the Company will establish a date to close the Offering (*the* "***Closing Date***"), provided that such Closing Date is on, or after, the date which is five (5) business days after the last Unit subscription accepted by the Company;
- Second, the Company will notify all of the accepted subscribing Unit investors as to the Closing Date (*such notice, the "**Closing Notice**"*) and will cease taking new subscriptions for Units;

- Third, upon delivery of the Closing Notice each subscribing Unit investor will (*to the extent not previously paid*) be required to deliver payment with respect to their purchased Unit(s) (*i.e. the Purchase Price*), in full, to the Escrowee;

- Fourth, on the Closing Date, all funds then held in the Escrow Account will be immediately transferred by the Escrowee to the Company where they will be available for use by the Company as set out herein.

It should again be noted that payment with respect to subscribed Units will not be required prior to the delivery of the Closing Notice. **However, a subscription to purchase Units will be binding and irrevocable once submitted to the Company (*except to the extent time canceled as provided in Article III, Section 4*) and each subscribing investor will be expected to pay for their respective Units, in full, upon delivery of the Closing Notice.**

4. Minimum Investment and Subscription Amounts; Payment of Purchase Price:

To participate in the Offering you will need to purchase at least 1 Unit (*i.e. invest at least the Minimum Investment Amount*) and Units are being sold only in whole number increments unless otherwise agreed to by the Company as provided above. Further, the Company will not close the sale of any Units unless, and until, it has received, and accepted, binding subscriptions to purchase an aggregate number of Units which is equal to, or greater than the Minimum Subscription Amount identified above.

The Purchase Price to be paid for any subscribed Units will be payable by wire or ACH transfer of immediately available funds directly to the Escrow Account at the time the executed Subscription Agreement and the other required Subscription Deliveries are tendered to the Company pursuant to, and in the manner provided, on the Portal.

5. Cancellation Right:

You may cancel your submitted subscription to purchase Units (*in whole or in part*) any time during the first five (5) business days from the date you deliver the Subscription Deliveries[6] to the Company (*the "**Cancellation Right**"*). This Cancellation Right may be exercised by timely notifying the Company (*via the Portal*) of your intent to cancel. If this cancellation right is timely exercised, any payments made by you with respect to the Units (*or cancelled portion thereof*) will be promptly refunded to you, without interest. If this cancellation right is not timely exercised, it will be deemed waived.

6. Use of Offering Proceeds:

The Company intends to use the proceeds of the Offering as follows and in the following order of priority:

- First, to fund the payment of the Offering Expenses;

- Second, to the extent of remaining funds, to: (a) reimburse the Managers for all Improvement Costs then funded by the Managers on behalf of the Company; and (b) to fund all then remaining Improvement Costs;

[6] As discussed in Article VII ("How to Invest")

- Third, to the extent of remaining funds, to establish a reserve for the working capital needs of the Project in an amount up to Eleven Thousand Five Hundred Dollars ($11,500);

- Fourth, to the extent of remaining funds, to pay the full amount of such remaining funds pro-rata to the Managers as compensation for past services rendered on behalf of the Company.

It should be noted however that, while the above breakdown represents the best estimations of the Company and its Managers as to the use of the Offering proceeds as of the date hereof, the Company reserves the right to use the proceeds received from the Offering (*or any portion thereof*) as, when and how it deems necessary in the best interest of the Company (*as determined by the Managers*).

7. Binding Agreement; Closings; Best Efforts:

A subscription for a Unit may be made only by tendering the Subscription Deliveries as provided in Article VII. Subject to your Cancellation Right, the execution and tender of the required deliveries will constitute a binding agreement from you to purchase the number of Units stipulated therein and an agreement to hold the offer open until the Expiration Date or until the offer is accepted or rejected by the Company, whichever occurs first. If your Subscription Agreement and all other Subscription Deliveries have been received, and accepted, by the Company, the closing of the purchase and sale of your subscribed Units (*or accepted portion thereof if the subscription was not accepted in whole*) will take place on the Closing Date.

The Units are being offered on a "best efforts" basis and there is no guarantee that any minimum amount will be sold. Further, the Units offered by the Company are, and will be, subject to: (a) the sale of all Units prior to delivery/acceptance of your subscription to purchase a Unit; (b) the Company's acceptance of your subscription to purchase a Unit, in whole or in part; and (c) the withdrawal, cancellation, or modification of the Offering without notice to you or any other offeree. As a result, there is no guarantee that the Units offered to you pursuant to the Offering Documents will be available for purchase.

IV. DESCRIPTION OF THE UNITS; OWNERSHIP

1. General:

The following terms generally describe the Units being offered and certain rights and obligations of the holders of such Units:

- Voting Rights: The Units will be NON-VOTING and will represent an economic interest in and to the Company and its assets only.

- Transfers Rights: Except as specifically permitted in the Operating Agreement or with the Manager's prior written consent, you will not be able to assign, transfer or otherwise dispose of your Units. However, the Operating Agreement does provide for several "permitted transfers" which will not require the consent of the Manager.

- General Distributions: See Article II, Section 5 above.

- o Tax Distributions: NONE.

- o Fiscal Year: The Company fiscal year-end is intended to be December 31, subject to adjustment by the Managers.

- o Tax Classification: The Company has elected to be taxed as a partnership for federal income tax purposes. As a result, the Company itself will not be subject to federal income tax and, in general, as an investor you will be required to include your allocable share (*if any*) of the items of the Company's income, gain, loss, deduction and credit in computing your federal income tax liability, regardless of whether the Company has made corresponding distributions to you.

- o Preemptive Rights: NONE.

- o Drag Along Rights: YES. Pursuant to the Operating Agreement, if the Class B Members of the Company intend to sell all, or less than all, of their collective membership interests in the Company (*other than in connection with a public offering*) to a third-party, then the holders of the Units may, at the sole election of the Class B Members, be obligated to sell their Units to the same third-party purchaser on the same terms.

  For more information on this Drag Along Right, please refer to the Operating Agreement.

- o Tag Along Rights: NONE.

2. Operating Agreement:

The Operating Agreement outlines the rights, duties, responsibilities, obligations and/or liabilities of the Unit holders and the other members of the Company, including certain specific restrictions with respect to the transfer of the Units and certain instances where transfer of the Units may be permitted subject to the terms and conditions provided therein. **ACCORDINGLY, YOU ARE STRONGLY URGED TO READ THE OPERATING AGREEMENT, IN ITS ENTIRETY, AND TO CONSULT YOUR OWN COUNSEL REGARDING THE PROVISIONS THEREOF AND YOUR POTENTIAL RIGHTS, DUTIES, RESPONSIBILITIES, OBLIGATIONS AND/OR LIABILITIES AS A UNIT HOLDER**.

3. Restrictions on Transferability of the Units; Lack of Liquidity:

Except as specifically provided in the Operating Agreement, none of the Units will be freely tradable. Further, in all instances, transfer of the Units will be prohibited without registration under the Securities Act and the applicable state laws or compliance with specific exemptions from such laws.

To the extent any of the Units are, at any time, certificated, a legend will be placed on said certificates representing that such Units have not been registered under the Securities Act or any state securities laws and referring to the restrictions on transferability and sale of the Units. The Company will make the necessary notations on its books to prevent transfers of Units in violation of the foregoing.

There is currently no market for the Units and it is highly unlikely that any market for the Units will develop in the foreseeable future. You will have no right to require registration of the Units under the Securities Act or any other applicable state or federal securities laws. Further, the exemptions from registration relied upon by the Company are available only to an issuer and do not exempt subsequent resale of the Units by you.

In addition to the foregoing, the Operating Agreement provides certain additional restrictions on the transfer of the Units. Accordingly, except as may be expressly permitted pursuant to the terms of the Operating Agreement, no transfer of any Unit(s) will be effective unless consented to, in advance and in writing, by the Company. Notwithstanding the foregoing, the Operating Agreement of the Company does provide for certain instances where transfer of the Units may be permitted subject to the terms and conditions provided therein.

The foregoing is a summary of certain key restrictions on the transfer of the Units **AND IS NOT INTENDED TO BE COMPLETE.** The Operating Agreement and the other Offering Documents describe numerous provisions regarding restrictions on the transfer of the Units that are considered material, and the rights, obligations, and liabilities of a holder of the Units in connection in connection therewith, in more detail. **You are strongly urged to BOTH read the** Operating Agreement (***and the other Offering Documents*****) carefully, and to consult your own counsel regarding such restrictions, before making any investment decision with respect to the Units.**

4. Ownership:

All of the Units being issued to you and the other offerees will be newly issued, "Class A," membership units of the Company.

5. Reports to Unit Holders:

The Company will promptly:

- within forty-five (45) days after the end of each semi-annual period, provide each Unit holder with copies of the internally prepared financial statements of the Company for such period;
- after the end of each fiscal year of the Company, provide each Unit holder with:
    - copies of the internally prepared annual financial statements of the Company for such fiscal year; and
    - such tax information related to his/her/its investment in the Units as the Company deems necessary, in its reasonable discretion, in order for such Unit holder to complete their federal and state tax returns (*or which is otherwise required by applicable law*); and
- provide all other information about the Company and/or any other matters (*if any*) required by, and pursuant to the terms and conditions of, the Operating Agreement or applicable law.

The Company may, in its sole discretion, provide one or more of the foregoing to you electronically (*including by granting you access to such documents via the Portal or the Company's corporate website*).

6. Potential Termination of Offering and Return of Proceeds:

The Company anticipates that the aggregate investment proceeds received by the Company from the proceeds of the Offering, together with all other capital to be received by the Company (*i.e. such funds as may be contributed by the Class B Members*), will be more than sufficient to fully cover all anticipated initial Offering Expenses and all Improvement Costs. Put simply, it is expected that the amount of capital received by the Company will, after payment of the Offering Expenses, be sufficient to fund the completion of the Improvements.

If, at any time prior to the Expiration Date, the Managers (*in their discretion*) determine that the aggregate amount of capital then received or receivable by Company is insufficient to fully cover all Offering Expenses and all Improvement Costs, or the completion of the Offering is not otherwise in the best interest of the Company, the Managers may cancel the Offering. In the event of such cancelation:

- any and all subscriptions to purchase Units will be deemed immediately cancelled in their entirety;
- the Company will promptly notify each previously subscribing investor of the cancellation of the Offering and their respective subscriptions;
- any payments made by a subscribing investor to the Escrowee with respect to their respective subscribed Units will be promptly refunded to such investor without interest;
- neither the Company nor VestLo (*nor any of their respective officers, directors, employees, or agents*) will have any further obligation, or any liability whatsoever, with respect to any subscribing investor in connection with such termination.

V. RISK FACTORS

The Units offered by the Company constitute a highly speculative investment and you should be in an economic position to lose your entire investment. In addition to other factors set forth in this Memorandum, you should carefully consider the following risks and other material considerations inherent in and influencing the business of the Company.

1. Company Risks: - *This section is intended to describe certain risks related to the Company in general*.

o Lack of Diversification; Single Asset Risk:

Any investment in a company which only owns a single asset (or single type of asset) will be materially affected by the value of such asset and any substantial decline in the value of such asset would be detrimental to the holding company. As the Company's only material assets will be its interest in the Building and the related Building Leases, the Company's interest will not be diversified and it will be subject to a greater risk of loss than if its investments were diversified. If the value of the Building and/or any of the Building Leases is materially adversely affected, and/or otherwise fails to monetize, it will be materially detrimental to the success and profitability of the Company and you will recognize a loss of all or a part of your investment in the Units.

Without limiting the generality of the foregoing, as noted above each Retail Space has been leased to a related entity which is owned primarily by certain Class B Members/Managers (*and/or their relatives or affiliates*). Accordingly the tenant mix of the building will not be diversified and the Company will be subject to a greater risk of loss with respect to the Building Leases than if the Retail Spaces were leased to independent third-parties. In particular, because the Retail Space tenants are related entities, if the financial condition or operation of one tenant (*and/or their respective owners*) is materially and adversely affected, it will most likely materially and adversely affect the financial condition and/or operation of the other tenant. Regardless, if any event were to occur which materially impairs the ability of a Retail Space tenant to perform its obligations under its respective Building Lease, the value of such Building Lease would be materially adversely affected (if not completely lost), as would the Company's expected ongoing cash flow and its anticipated ability to make future distributions, and you may recognize a loss of all or a part of your investment in the Units.

- Liability of Management:

The Operating Agreement of the Company provides that it may indemnify its directors, officers, employees and agents and former directors, officers, employees and agents. Consequently, the ability of a plaintiff to impose liability on such persons may be impaired in whole or in part. In the opinion of the SEC, however, indemnification for liabilities arising under the 1933 Act is against public policy and, therefore, ineffective.

- Company Tax Risks.

While the Company intends to be classified as a "partnership" for federal income tax purposes, and thus not be subject to federal income tax, the Company may be subject to other taxes such as payroll, sales, use, value-added, net worth, property and goods and services taxes.

Significant judgment is required in determining the Company's provision for applicable tax liabilities. In the ordinary course of the Company's business, there are many transactions and calculations where the ultimate tax determination is uncertain. Although the Company believes that any tax estimates made part of the financial information included in the Offering Documents are reasonable, there is no assurance that the final determination of such tax matters will not be materially different from what is reflected in the Offering Documents, and any material differences could have an adverse effect on the Company's financial position and/or its profitability and ultimately on the value of your investment in the Units.

- Conflicts of Interest and Affiliated Companies:

The Operating Agreement allows the Company's members, the Managers and the Officers to own an interest in, or otherwise be involved (*directly or indirectly*) with the management of, other companies. Further, the Company may, from time to time (*subject to the terms of the Operating Agreement*), do business with one or more entities owned by (*or otherwise affiliated with and/or under the direct or indirect control of*) one or more such related parties, provided such agreements will substantially reflect commercially reasonable terms. Notwithstanding the foregoing, contracts between the Company and such affiliated entities have inherent conflicts of interest, will not have been the result of arms' length negotiations or third-party bidding, and may not represent industry standard terms.

Without limiting the generality of the foregoing, as noted above each Retail Space has

been leased to a related entity rather than an outside party. While the Company believes that each Building Lease entered into with respect to a Retail Space reflects commercially reasonable terms (*including with respect to the amount and timing of payment of base rent and other expenses*), such Building Lease was not entered into as the result of an arms' length negotiations or third-party bidding, may not represent industry standard terms, and may not otherwise be the most profitable and/or best current use of the subject Retail Space.

2. <u>Project Risks</u>: - *This section is intended to describe certain risks related to the Project.*

- <u>Generally</u>:

The Company anticipates that the aggregate investment proceeds received by the Company (*i.e. from the proceeds of the Offering together with all outside funds received by the Company*), together with the income to be received from the Project (*including the amounts received from the Building Leases*), will be more than sufficient to fully cover all expenses of the Company (*i.e. the Offering Costs, all Improvement Costs and all initial Operating Costs*) resulting, ultimately, in certain distributions being made by the Company to you and the other investors in the Company. In the event that these assumptions prove to be inaccurate in any material respect the Project may fail to monetize and/or you may recognize a loss of all or a part of your investment in the Units.

- <u>No Guaranty of Profitability</u>:

Despite the existing Building Leases the profitability of the Project must be considered in light of the problems, expenses, difficulties, risks, and complications frequently experienced by commercial real estate landlords and developers, many of which are beyond the control of the Company and its management (*including the bankruptcy or general breach of the tenant(s) under one or more of the Building Leases*). Accordingly there is no guarantee that the Company will, or will otherwise continue to, realize any significant operating revenues, or that the Project will ultimately be profitable, and neither the Company nor the Managers make any representations or warranties regarding the prospects for success of the Company or its ownership of the Building. In the event the Project is not as profitable as expected (*for whatever reason*) you may lose all, or a substantial part, of your investment in the Units.

- <u>Dependence on Key Personnel</u>:

The operation and viability of the Project will be highly dependent on the efforts of the Managers and certain other existing key personnel of the Company. If the Company was to lose the services of such existing key personnel, or any of them for whatever reason, and it was unable to locate suitable replacements, the viability and profitability of the Project may be materially adversely affected and you may recognize a loss of all or a part of your investment in the Units.

- <u>Unexpected Casualty</u>:

Although the Company maintains insurance with respect to the Building, such insurance may not be adequate to cover business interruptions or losses resulting from unexpected casualties (*including adverse weather or other natural disasters*). In addition, such insurance policies may include substantial self-insurance portions and significant deductibles and co-

payments for such events. As a result, if the Company were to experience a loss with respect to the Building (*or any portion thereof*) that is uninsured, or which otherwise exceeds the Company's policy limits, the Company could incur significant costs and would lose the capital invested in the damaged portion of the Building, as well as the anticipated future cash flows from such Building (*including those from the Building Leases*). Such a loss could have a material adverse effect on the anticipated profitability of the Project and ultimately the value of your investment in the Units.

In addition to the above, in the event of any damage to the Building (*whether such damage was covered by insurance or otherwise*) the Company would continue to be liable for the Debt, even if the Building (or subject portion thereof) was irreparably damaged. Further, any damaged portion of the Building may not be able to be rebuilt to its existing height or size under current land-use laws and policies. If either of the foregoing were to occur it could have a material adverse effect on the intended completion and/or anticipated profitability of the Project and ultimately the value of your investment in the Units.

- Other Project Risks:

The foregoing is a summary of certain risks associated with the Project **AND IS NOT INTENDED TO BE COMPLETE.** One or more of the Supplementary Offering Materials made available via the Portal may contain a description of certain other risks specific to the Project, and therefore, risks that also apply to any investment in the Units. Accordingly, **YOU ARE URGED TO READ SUCH SUPPLEMENTARY OFFERING MATERIALS CAREFULLY BEFORE MAKING YOUR INVESTMENT DECISION.**

3. Market Risks: - *This section is intended to describe certain risks related to the general marketplace where the Project will take place*.

- Significant Competition:

Despite the existing Building Leases, in the event the Company is required to find a new/replacement tenant(s) for any portion of the Building, the Company will compete with other similarly situated (*and in some instances better capitalized*) commercial real estate landlords and developers in the Chicago and Chicagoland markets, of which there are several, to attract a suitable tenant(s). The Company's ability to compete and to generate favorable returns will be highly dependent on the continued ability of the Company to subsequently rent the entirety of the Building at a profit. Given the potentially significant competition in such market, there is no guarantee that the Company will, or will otherwise continue to, realize any significant operating revenues, or that the Company's ownership of the Building will ultimately be profitable, and you may lose all, or a substantial part, of your investment in the Units.

- Macro-Level and Local Risks:

Market risks include macro-level issues (*e.g. rising interest/tax rates, changing tastes, etc*.) which can adversely affect the real estate market or the national economy as a whole. In addition, the Project will also be highly subject to factors affecting the local real estate market and economy in the particular geographic areas where the Building is located. Such factors will

include, among others, the financial condition and liquidity of current and prospective buyers/renters for the Building, the availability and cost of capital, changes in taxes and governmental regulations, and all other typical risks associated with investing in real estate based businesses (*particularly mixed-use real estate*) in the market where the Building is located. Any one of the foregoing macro or local factors could have a material adverse effect on the intended profitability of the Project and ultimately the value of your investment in the Units.

- Uncertainty Due to Securities Market and National Economy:

Over the last several years, the national economy has been volatile due to high unemployment, exceedingly high national debt and deficits, and an unpredictable stock market. Due to the foregoing volatility, as well as the inherent uncertainty involved with the securities market and the economy as a whole, there can be no accurate predictions concerning the return to you on your investment in the Units.

4. Investment Risks: *This section is intended to describe certain risks related to an investment in the Units.*

- Possible Loss of Entire Investment:

An investment in the Units involves a high degree of risk and there is no guaranty that the Company will be profitable. As a result, you may suffer a substantial (*or even a complete*) loss of your investment in the Units. **ACCORDINGLY, YOU SHOULD NOT PURCHASE UNITS IF YOU CANNOT AFFORD THE LOSS OF YOUR ENTIRE INVESTMENT**.

- Limited Voting Rights and Control:

The Units are NON-VOTING and represent only an equity interest in and to the Company and its assets. The holders of such Units will NOT, to the fullest extent permitted by applicable law, have a vote on any matter requiring the consent of the members of the Company. Accordingly you will have little to no right to exercise any control over, or otherwise offer input into, the operation of the Company and/or the Project.

- Uncertainty of Exit Plans:

As noted above, the Company intends to sell the Building, or the Company's interests therein, within five (5) years, or at such later time as it makes the most economic sense to the Company and its members (*as determined by the Managers*). That being said, there is no guaranty that such a sale of the Building can, or will, occur. Further, except for the foregoing, there is no planned or expected exit strategy with respect to the sale (*or other transfer or divestment of*) of any of the Units which are the subject of this Memorandum and the other Offering Documents. As a result, you will be expected to hold your Units for an indefinite period of time.

- Long-term Nature of Investment; Illiquid Investment:

An investment in the Units is long-term. The Company has not registered, is not under any obligation to register, and does not intend to register the Units with any regulatory authorities at any time in the future. As a result, the Units are, and will be, extremely illiquid which materially impairs the ability of Unit holders to easily dispose of their Units should the need arise. Further, there

currently is no market for the Company's Units and it is highly unlikely that any such market will develop in the near future. Although it may be possible, after a period of time, under certain limited circumstances and subject to the terms of the Operating Agreement, to dispose of the Units, you should not expect a market for the Units will exist at any time in the future. Accordingly, due to the restrictions on transferability of, and the lack of any market for, the Units an investment in the Units is long-term and you probably will not be able to liquidate your investment in the Units in the event of an emergency or for any other reason (*at least not in a timely manner and/or without a substantial loss of your investment*).

FOR CLARITY, YOU SHOULD NOT INVEST IN THE UNITS UNLESS YOU: (a) HAVE NO NEED FOR LIQUIDITY WITH RESPECT TO YOUR INVESTMENT IN THE UNITS; (b) HAVE NO INTENTION TO RESELL THE UNITS; AND (c) HAS THE ABILITY TO HOLD YOUR INVESTMENT INDEFINITELY.

o Distributions:

The Company's sole expected source of distributable cash will be the cash flow, if any, generated from the Project. While the Company intends to pay certain distributions in the future, there can be no assurance that cash flow or profits from the Project (*or otherwise*) will allow such distributions to be made.

o Arbitrary Determination of Offering Price:

The Offer Price, the Minimum Investment Amount and the Minimum Subscription Amount have been arbitrarily determined by the Company's management without regard to the Company's assets or earnings or the lack thereof, book value or other generally accepted valuation criteria and does not represent, nor is either intended to imply, that the Units being offered have a market value or could be resold at that price, even if a sale were permissible.

o Tax Risks:

The Company is being formed to generate income to the Unit holders and not to be a so-called "tax-shelter." Accordingly, many of the tax consequences and risks commonly associated with "tax-shelters" are inapplicable to the Company.

The Company will be classified as "partnership" for federal income tax purposes. The Company will not be subject to federal income tax and, in general, you must include your allocable share (*based on your pro-rata ownership of the Company evidenced by your Units*) of the items of the Company's income, gain, loss, deduction and credit in computing your federal income tax liability, regardless of whether Company has made any corresponding distributions to the investor. As a result, it is possible that, in any given taxable year, you will be required to include, and pay taxes on, a significant amount of income related to the your ownership of the Units without any cash being received by you from the Company.

In judging whether to invest in the Units you should consider the tax consequences thereof which include, among others: (a) the possibility that the Company will be treated as a corporation rather than a partnership for income tax purposes, resulting in a corporate level tax on profits; (b) the possibility of alternative minimum tax resulting from an investment in the Units; (c) the possibility that the Company may generate taxable income to its members in an amount greater than

cash available for distribution; (d) the possibility that the IRS will not give favorable effect to the allocation of profits and losses contained in the Operating Agreement; (e) the possibility of adverse changes in the federal, state and local income tax laws; (f) the possibility that the Company will be deemed to be engaged in or trade or business in the United States, causing tax exempt investors and/or non-U.S. investors to receive allocations of unrelated business income or effectively connected income, respectively; and (g) the possibility that the Company will be deemed to be engaged in or trade or business outside of Illinois, subjecting its members to such other states' tax liability.

o Tax Audits:

The Company's tax return may, at any given time, be subject to an audit by the Internal Revenue Service (*the* "***IRS***"). The costs incurred in connection with any such an audit, and any ensuing administrative or legal proceedings, may adversely affect the profits, if any, from the Company's operations and/or the Company's cash flow. Furthermore, the Managers, in their sole discretion, may settle or compromise any issues involved in an IRS audit, which may materially adversely affect your tax liabilities.

An audit of the Company's information return by the IRS may also result in an audit of your individual tax return. In the event of such an audit, the Company will not be obligated to pay any expenses incurred by you in connection therewith or with respect to any resultant litigation, regardless of whether or not the audit is caused by reason of you being a Unit holder, or otherwise.

5. Additional Risks:

This section is intended to describe certain additional risks which may affect the Units and/or the rights of investors in connection with an investment in the Units.

o Absence of Registration of Offering/Units:

The Units of this Offering have not been registered under the Securities Act or the Illinois Securities Act and are being sold pursuant to an exemption from registration under both the Securities Act and the Illinois Securities Act. As a result, you will not be afforded many of the protections available under the Securities Act and the Illinois Securities Act the with respect to your investment in the Units.

There is no assurance that this Offering presently qualifies, or will continue to qualify under such exemptions under the Securities Act and/or the Illinois Securities Act due to, among other things, the adequacy of disclosure and the manner of distribution of this Offering, the conduct and timing of similar offerings by the Company or its affiliates in the past and in the future, or the change of any applicable securities laws or regulations. Further, the exemptions may not be available if the Company attempts to distribute the Units in a manner prohibited by either federal or other applicable state securities laws. For instance, if any payments made by the Company to third parties who are not registered broker/dealers are categorized as sales commissions, the Company may lose its eligibility for certain registration exemptions.

If, and to the extent, suits for rescission are brought and successfully concluded for failure to register the Units under the Securities Act and/or the Illinois Securities Act (and/or any other

applicable law), or for acts or omissions constituting certain prohibited practices the Securities Act and/or the Illinois Securities Act (and/or any other applicable law), both the capital and assets of the Company could be materially adversely affected, thus jeopardizing the ability of the Company to operate successfully. Additionally, a significant amount of the time of the Company's management and/or the capital of the Company could be expended in defending an action by investors or by state or federal authorities even where the Company ultimately is exonerated.

Moreover, the exemptions relied upon are dependent, in significant respects, upon the accuracy of your representations and warranties contained in the Subscription Agreement and the other Offering Documents. In the event that any such representations and/or warranty made by you should prove to be untrue, the exemptions relied upon may not be available resulting in substantial potential liability to the Company under the applicable exemptions for rescission and/or damages.

- Absence of Registration Under Investment Company Act:

It is the contention of the Company that the business of the Company is solely and primarily to engage in the Project and NOT to own, hold, invest, reinvest or otherwise trade in securities. As a result, the Company has not registered as an "investment company" under, and does not expect to be subject to, the United States Investment Company Act of 1940, as amended (*the* "***Investment Company Act***") pursuant to certain exemptions set forth in Sections 3(b) of the Investment Company Act. Neither the Company nor its counsel can assure you that such exemptions will continue to be available to the Company and/or that the Company may not, in the future, become subject to the Investment Company Act or other burdensome regulation. Due to the burdens of compliance with the Investment Company Act, the performance of the Company could be materially adversely affected, and risks involved in your investment in the Company could substantially increase, if the Company becomes subject to registration under the Investment Company Act.

- Absence of Registration Under Investment Advisers Act:

Neither the Company nor its affiliates are registered or have plans to register as an "investment adviser" under the United States Investment Advisers Act of 1940, as amended (*the* "***Advisers Act***"). It remains unclear if rules promulgated by the SEC under the Dodd–Frank Wall Street Reform and Consumer Protection Act (*the* "***Dodd-Frank Act***") will require the Company (*or an affiliate of the Company*) to register under the Advisers Act. If the Company (*or an affiliate of the Company*) registers as an investment adviser, at such time, a copy of Part 2 of its SEC Form ADV, which constitutes its regulatory disclosure brochure, will be made available as required. In such event, the Company (*or an affiliate of the* Company) would become subject to additional regulatory and compliance requirements associated with the Dodd-Frank Act. Any such additional requirements, or any different requirements, may be costly and/or burdensome to such party or parties and could result in the imposition of restrictions and limitations on the operations of the Company and/or the disclosure of information to regulatory authorities regarding the operations of the Company.

VI. SUMMARY OF TAX ASPECTS OF THE OFFERING

The following summarizes the more pertinent provisions of the current federal and state legislation

relating to the Company and the Units. The summary is NOT, and is not intended to be, a complete analysis of such legislation. It is impractical to comment on all aspects of federal, state and local, and foreign tax laws that may affect the tax consequences of an investment in one or more of the Units and/or participation in the Company. Accordingly, while this discussion may be found helpful in identifying significant federal income tax aspects of investment in the Company, **YOU ARE URGED TO CONSULT ITS OWN TAX ADVISOR AS TO THE TAX CONSEQUENCES ASSOCIATED WITH A PURCHASE OF THE UNITS AND/OR AS A RESULT OF MAKING AN INVESTMENT IN THE COMPANY PRIOR TO MAKING ANY INVESTMENT IN THE UNITS.**

1. Status of Company for Taxation Purposes:

The Company is a limited liability company and will be treated as an entity separate from its Members and/or unit holders. A limited liability company (*an "**LLC**"*) is an entity that provides its owners (*i.e. "members"*) with the opportunity to share in the profits of the entity (similar to shareholders in a traditional business corporation) while affording them the protection of limited liability for the obligations of the entity (*also similar to shareholders of a traditional business corporation*). A very important difference between an LLC and a traditional business corporation is that an LLC may elect to be taxed as a partnership or a Subchapter "S" corporation for U.S. federal income tax purposes and thus not itself be subject to U.S. federal income tax. If an LLC makes such an election the LLC operates as a conduit through which the taxable income and tax deductions are passed through to the members of the LLC, and only the members (*and generally not the LLC*) are taxed based on the taxable income and tax deductions of the LLC. By contrast, when a traditional business corporation has taxable income, it must pay income tax on that income before it can distribute the remaining after-tax income to its shareholders (*who then also pay income tax on the distributions they receive*).

The Company has chosen to be classified as a partnership for U.S. federal income tax purposes. Accordingly, members will likely be required to make quarterly installment payments of U.S. federal and state income tax. The need for a particular investor to make such quarterly payments would depend on the number of Units owned by the Company (*and the percentage of total equity of the Company such Units represent*) and the amount of the Company's taxable profit and loss.

2. Tax Information:

As noted in Article IV, Section 5 above, after the end of each fiscal year the Company will provide you (*as an investor*) with certain tax information related to your investment in the Units. Notwithstanding the foregoing or anything contained herein or in any of the Offering Documents to the contrary, the preparation and filing of all federal, state and/or local income tax returns for which you may be liable with respect to your investment in the Units will be at your sole cost and responsibility.

Notwithstanding the foregoing, the Company may not be able to provide final annual tax information to you for any given fiscal year until after April 15 of the following year. The Company will endeavor to provide you with final annual tax information or with estimates of the taxable income or loss allocated to your investment in the Units on or before such date, but final annual tax information may not be available until the Company has received the requisite tax–reporting information necessary to prepare final annual tax returns. As a result, you may be required to obtain an extension of the filing dates for your federal, state, and/or local income tax return.

3. Dissolution or Liquidation of the Company:

The Company does not anticipate dissolution or liquidation. In the event of a dissolution, however, the Company might be required to liquidate all or a portion of its assets during a limited period of time. Any such sales would generate gains and losses as measured by the difference between the amount of sale proceeds and the adjusted basis of the assets sold. If any asset sold were depreciable or amortizable, a gain probably would be produced since depreciation and amortization deductions decrease the adjusted tax basis. The tax character of any gain resulting from the sale of such property would probably be ordinary up to the amount of the asset's accumulated depreciation or amortization and long-term capital gain to the extent of the excess.

4. Tax Opinion Disclosure:

Neither this Memorandum nor any of the other Offering Documents should be taken as the issuance of a formal tax opinion. **YOU ARE HEREBY ADVISED THAT ANY TAX ADVICE IN THIS MEMORANDUM OR ANY OF THE OTHER OFFERING DOCUMENTS IS NOT WRITTEN WITH THE INTENT THAT IT BE USED, AND CANNOT BE USED, TO AVOID PENALTIES THAT MAY BE IMPOSED UNDER THE INTERNAL REVENUE CODE. FURTHER, ANY TAX-RELATED DISCUSSIONS CONTAINED IN THIS MEMORANDUM AND/OR ANY OF THE OTHER OFFERING DOCUMENTS (*INCLUDING ATTACHMENTS*) ARE NOT INTENDED OR WRITTEN TO SUPPORT THE PROMOTION OR MARKETING OF ANY MATTER OR TRANSACTION ADDRESSED BY SUCH TAX-RELATED DISCUSSIONS**.

VII. HOW TO INVEST

If you wish to participate in the Offering, you must purchase at least 1 Unit (*i.e. invest at least the Minimum Investment Amount*) and you must deliver the following (*individually and collectively, the* "***Subscription Deliveries***") via the Portal prior to the Expiration Date:

- the Subscription Agreement fully executed by you; and
- a Payment Instruction Form fully executed by you.

Except for the Cancellation Right you will have no right to rescind your subscription after the Company has received your Subscription Deliveries. Further, to the extent you have subscribed to purchase one or more Units you will be required to deliver the applicable Purchase Price for such Units, in full, to the Escrowee upon the delivery of the Closing Notice (*and you authorize VestLo to electronically debit the bank/credit account you specified when completing your subscription to purchase Units via the Portal with respect to such amounts*).

As noted herein, you will not be required to remit payment of the Purchase Price for your Units unless, and until, the Company has issued a Closing Notice. However, to the extent you have delivered funds to the Escrowee prior to the delivery of the Closing Notice, the Company will not pay you any interest on such monies whether or not your subscription is accepted and/or the Offering is terminated.

Notwithstanding anything contained herein or in the other Offering Documents to the contrary, **the Company reserves the right, in its sole and absolute discretion and for any reason whatsoever, to: (a) modify, amend or withdraw all or a portion of the Offering; and/or (b) to reject any subscription made by you to purchase Units or otherwise to allocate to you a smaller number Units than the number of Units you desire to purchase**. Neither the Company, nor the Managers (*nor any of its*

respective officers, employees, equity holders, affiliates, agent or representatives) will have any liability whatsoever to you if any of the foregoing occurs.

If the Company rejects your subscription to purchase Units (*in whole or in part*), you will be promptly notified by the Company and the Escrowee will promptly return any monies received from you (*or allocable portion of such monies*), without interest or reduction.

If your Subscription Deliveries have been received **and accepted** by the Company, you will be promptly notified by the Company. To the extent so accepted, and subject to the Company's receipt of your applicable Purchase Price (*in full*), on the Closing Date you will automatically become a member of the Company, without further notice or action, and an amount equal to your respective Purchase Price will be allocated to a "Capital Account" (*as defined in the Operating Agreement*) established for you on the books and records of the Company. Further, the Units so subscribed will be allocated to you and deemed fully paid and non-assessable. The Company may, at the discretion of the Managers, create and deliver to you a certificate(s) evidencing your purchased Units.

[*Remainder of Page Intentionally Left Blank*]

SCHEDULE 1

DEFINITION OF "ACCREDITED INVESTOR"

"***Accredited Investor***" means any person who comes within any of the following categories, or whom the General Partner reasonably believes comes within any of the following categories, at the time of the sale of the securities to that person:

(a) Any bank as defined in Section 3(a)(2) of the Securities Act, or any savings and loan association or other institution as defined in Section 3(a)(5)(A) of the Securities Act whether acting in its individual or fiduciary capacity; any broker dealer registered pursuant to Section 15 of the Securities Exchange Act of 1934; any insurance company as defined in Section 2(13) of the Securities Act; any investment company registered under the Investment Company Act or a business development company as defined in Section 2(a)(48) of that Investment Company Act; any Small Business Investment Company licensed by the U.S. Small Business Administration under Section 301(c) or (d) of the Securities Act; any plan established and maintained by a state, its political subdivisions, or any agency or instrumentality of a state or its political subdivisions, for the benefit of its employees, if such plan has total assets in excess of Five Million ($5,000,000); any employee benefit plan within the meaning of the Employee Retirement Income Security Act of 1974, if the investment decision is made by a plan fiduciary, as defined in Section 3(21) of the Employee Retirement Income Security Act of 1974, which is either a bank, savings and loan association, insurance company, or registered investment adviser, or if the employee benefit plan has total assets in excess of Five Million ($5,000,000); or, if a self-directed plan, with investment decisions made solely by persons that are accredited investors;

(b) Any private business development company as defined in Section 202(a)(22) of the Investment Advisers Act of 1940;

(c) Any organization described in Section 501(c)(3) of the Internal Revenue Code, corporation, Massachusetts or similar business trust, or partnership, not formed for the specific purpose of acquiring the securities offered, with total assets in excess of Five Million ($5,000,000);

(d) Any director, executive officer, or general partner of the Partnership of the securities being offered or sold, or any director, executive officer, or general partner of a general partner of that Partnership;

(e) Any natural person whose individual net worth, or joint net worth with that person's spouse, at the time of his or her purchase exceeds One Million ($1,000,000); provided, however, for the purposes of calculating such net worth:

(i) The person's primary residence will not be included as an asset;

(ii) Indebtedness that is secured by the person's primary residence, up to the estimated fair market value of the primary residence at the time of the sale of securities, will not be included as a liability (except that if the amount of such indebtedness outstanding at the time of sale of securities exceeds the amount outstanding sixty (60) days before such time, other than as a result of the

acquisition of the primary residence, the amount of such excess will be included as a liability); and

(iii) Indebtedness that is secured by the person's primary residence in excess of the estimated fair market value of the primary residence at the time of the sale of securities will be included as a liability;

(f) Any natural person who had an individual income in excess of Two Hundred Thousand ($200,000) in each of the two most recent years or joint income with that person's spouse in excess of Three Hundred Thousand ($300,000) in each of those years and has a reasonable expectation of reaching the same income level in the current year;

(g) Any trust with total assets in excess of Five Million ($5,000,000), not formed for the specific purpose of acquiring the securities offered, whose purchase is directed by a sophisticated person as described in Section 230.506(b)(2)(ii) of the Securities Act; and

(h) Any entity in which all of the equity owners are accredited investors.

[*Remainder of Page Intentionally Left Blank*]

SCHEDULE 2

MATERIAL EQUITY HOLDERS OF THE COMPANY

As of the date of this Memorandum the persons/entities owning more than ten percent (10%) of the voting equity of the Company (*i.e. the Class B Units*) are as follows:

Name:	Voting Equity Percentage
GORIANA ALEXANDER	48.5%
MICHAEL HORRELL	48.5%
TOTAL:	**97%**