RISK FACTORS

The purchase of Units in any AcreTrader offering involves a substantial degree of risk. In evaluating an investment in any Company or Offering, a prospective investor should carefully consider the Risk Factors described below, among other risk factors. The following discussion is not intended to be an all-inclusive description of all risks attendant to an investment, but merely represents our attempt to point out certain known risk factors.

GENERAL RISKS

Unpredictable Conditions. Like all commercial entities, the Company is subject to being affected, to some degree, by any volatility in economic, market, social and political conditions, both domestic and international, and by governmental regulation. Conditions such as inflation, recession, unemployment, changes in interest rates, short-term money supply, terrorism and various other factors beyond the Company's control may adversely affect the Company's ability to provide returns to investors.

Limited Participation in Management. An investor's subscription is subject to the risks of the Company's investments and activities, but investors, as members, are permitted to take part in decisions concerning the Company only to a limited extent consistent with their voting rights as provided in the Company's Operating Agreement. The overall management and control over actions by and on behalf of the Company are vested in our Manager.

Interests of Manager. Our Manager has substantial authority in determining all actions of the Company. The Manager may invest in the Company. Thus, the interests of the Manager may not coincide with the interests of the Company and its members.

No Operating History. The Company was recently formed, and therefore has no operating history on which to judge its performance. Our prospects must be considered in light of the risks, expenses and difficulties frequently encountered by investment in real estate.

Restrictions on Transfer of Units. No securities of the Company are listed on any securities exchange or are otherwise publicly traded. Presently, there is no established market for such securities and the Company does not anticipate that a market for these securities will develop in the future. Any subsequent transfer of the Units will be subject to transfer restrictions under applicable federal and state securities laws. In addition, the Units sold in this offering shall be subject to additional restrictions set forth in the Operating Agreement (housed in the AcreTrader Portal).

Dilution. Net book value per Unit of the Company is determined generally by dividing the net worth of the Company (book value of assets minus total liabilities) by the number of total Units outstanding. The current net book value is negligible, and investors in this Offering may experience immediate dilution by reason of the payment of expenses associated with this Offering. The net book value per Unit could also decline if the Company experiences losses in the future.

Distributions. No assurance can be made regarding the timing of any future distribution, or whether any distributions will be made. Except with respect to certain tax distributions, described above, our Manager will have authority to authorize distributions, in its sole discretion.

Lack of Independent Review. This Statement and the accompanying materials were prepared entirely by the Company without the assistance of an underwriter or a securities broker-dealer. Accordingly, there has been no independent review of the terms of this offer, the value of the Units or the viability of the Company on either a present or going forward basis.

Regulation. The Company's activities will be subject to regulation under applicable laws, including, without limitation, environmental, land use and tax laws and regulations. Any change in applicable laws or regulations, or any failure to adhere to such laws, may have a material adverse effect on our prospects of the Company. In addition, the Company's operations could be affected by legislative changes and by the policies of various regulatory agencies. The Company is vulnerable to such future legislation, regulation and governmental policy which could adversely affect the real estate industry and investments as a whole.

Dependence on Concentrated Geographic Area. The Company's activities will be limited to acquiring and holding the Property as an investment, and are therefore concentrated in a specific geographic location. A stagnant or depressed economy in the area in which the Property is located could adversely affect the value of the Property and the Company's ability to provide a return to investors.

Projections. Given the speculative nature of an investment in the Company and the risks attendant to investment in real estate generally, no one is able to provide any reliable projections with respect to an anticipated sale of the Property or related returns to investors.

GENERAL RISKS RELATED TO INVESTMENT IN REAL ESTATE

Economic and regulatory changes that impact the real estate market generally may decrease the value of members' investments. Among the factors that could impact the Property and the value of an investment in the Company are:

- downturns in national, regional and local economic conditions;
- adverse local conditions, such as oversupply or reduction in demand, changes in real estate zoning laws that may reduce the desirability of real estate in the area, and changes or delays in the development plans for other properties in the area;
- changes in the supply of or the demand for similar or competing properties in the surrounding areas;
- changes in interest rates and the availability of permanent financing, which may render the sale of a property or loan difficult or unattractive;
- changes in banking, tax, real estate, environmental and zoning laws;
- periods of high interest rates and tight money supply;
- the relative illiquidity of real estate investments;
- acts of nature, such as earthquakes, floods, or other uninsured losses; and
- adverse changes in the federal, state or local laws and regulations applicable to us, including those affecting zoning, fuel and energy consumption, water and environmental resources.

Any of the above factors, or a combination thereof, could result in a decrease in the value of the Property, which would have an adverse effect on the Company's ability to pay distributions to its members and on the value of members' investments.

Costs imposed pursuant to governmental laws and regulations may reduce the Company's cash available for distributions. Real property and the development and use of real property are subject to federal, state and local laws and regulations relating to protection of the environment and human health. The Company could be subject to liability in the form of fines, penalties or damages for noncompliance with these laws and regulations. These laws and regulations generally govern wastewater discharges, air emissions, the operation and removal of underground and above-ground storage tanks, the use, storage, treatment, transportation and disposal of solid and hazardous materials, the remediation of contamination associated with the release or disposal of solid and hazardous materials, the presence of toxic building materials, and other health and safety-related concerns. The presence of hazardous substances, or the failure to properly manage or remediate these substances, would reduce the value of the Property and likely hinder the Company's ability to sell the Property. Any material expenditures, fines, penalties, or damages the Company must pay will reduce the Company's ability to make distributions and may reduce the value of members' investment.

The costs of defending against claims of environmental liability, of complying with environmental regulatory requirements, of remediating any contaminated property, or of paying personal injury or other damage claims could have a materially adverse effect on the value of an investment in the Company. Under various federal, state and local environmental laws, ordinances and regulations, a current or previous real property owner or operator may be liable for the cost of removing or remediating hazardous or toxic substances on, under or in such property. These costs could be substantial. 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. Environmental laws also may impose liens on property or restrictions on the manner in which property may be used or businesses may be operated, and these restrictions may require substantial expenditures or prevent us from entering into leases with prospective tenants that may be impacted by such laws. Environmental laws provide for sanctions for noncompliance and may be enforced by governmental agencies or, in certain circumstances, by private parties. Certain environmental laws and common law principles could be used to impose liability for the release of and exposure to hazardous substances. Third parties may seek recovery from real property owners or operators for personal injury or property damage associated with exposure to released hazardous substances and governments may seek recovery for natural resource damages. The costs of defending against claims of environmental liability, of complying with environmental regulatory requirements, of remediating any contaminated property, or of paying personal injury, property damage, or natural resource damage claims could reduce members' investments and amounts available for distribution to members.

If the Property is found to contain hazardous or toxic substances the value of an investment could decrease below the amount paid for such investment.

The Property will be subject to property taxes that may increase in the future, which could adversely affect members' investment. The Property will be subject to property taxes that may increase as property tax rates change and as the Property is assessed or reassessed by taxing authorities. As the owner of the Property, the Company is responsible for payment of the taxes to the government. Consequently, any tax increases may adversely affect members' investments. While the Company intends to retain some funds held for future property tax payments, it can provide no assurance that the level of working capital retained by the Company will be sufficient to satisfy any increases in property taxes due in addition to other debts.

RISKS ASSOCIATED WITH THE PROPERTY WITH REGARDS TO FARMLAND PROPERTY

Since the Company's business consists of acquiring and managing real property, including farmland, the Company is subject to the risks related to the ownership and management of said properties, which can adversely impact its business and financial condition. By its nature, the search for potentially profitable investments is highly speculative and is subject to great risks that even a combination of experience, market and business information, or careful study, cannot always overcome.

Farmland investment is dependent on the profitability of the Company's tenants' farming business and a sustained economic downturn could have a material adverse effect on the amount of rental income the Company can collect and distribute to Members. The Company depends on our tenants to operate the Property owned by the Company in a manner that generates revenues sufficient to allow them to meet their obligations to the Company, including their obligations to pay rent and taxes, maintain certain insurance coverage and maintain the land. The ability of the Company's tenants to fulfill their payment responsibilities under the Company's leases depends, in part, upon the overall profitability of their farming operations, which could be unfavorably impacted by, among other things, hostile weather conditions, pests, and negative or uncertain political, economic, business or regulatory conditions. In addition, many farms are dependent on a limited number of key individuals whose injury or death may affect the successful operation of the farm. The Company can provide no assurances that, if a tenant defaults on its obligations to us under a lease, we will be able to lease or re-lease that farm on economically favorable terms in a timely manner, or at all. In addition, the Company may experience delays in enforcing our rights as landlord and may incur substantial costs in protecting our investment. As a result, any downturn in the profitability of the farming operations of the Company's tenants or a downturn in the farming industry as a whole could have a material adverse effect on our financial condition, results of operations, cash flow and ability to make distributions to Members.

The Company may not be able to collect balances due on leases from any tenants in financial distress or bankruptcy, which could adversely affect the Company's financial condition, results of operations and cash flow. The Company's tenants, particularly those that may depend on debt and leverage, could be susceptible to defaults under their leases or bankruptcy in the event that their cash flows are insufficient to satisfy their financial obligations. The Company may be forced to enter into alternative arrangements or pursue litigation in order to collect payments from tenants who are unable make their lease payments as they come due. The Company can provide no assurances that it will be able to collect the full amount due under a particular lease if it is forced to pursue alternative payment arrangements or litigation with any of its tenants. If a bankrupt tenant rejects a lease with the Company, any claim the Company might have for breach of the lease, excluding a claim against collateral securing the lease, would be treated as a general unsecured claim. In the event of a tenant's default under its lease or its rejection of the lease in bankruptcy proceedings, the Company may be unable to locate a replacement tenant in a timely manner or on comparable or better terms. As a result, the Company's financial condition, results of operations and ability to make distributions to Members could be adversely affected.

Illiquidity of farmland investments could significantly impede the Company's ability to respond to adverse changes in the performance of the Company's properties and harm the Company's financial condition. The investments made by the Company may be difficult to sell in a timely manner. As a result, the Company's ability to sell the Property in response to changing economic, financial and investment conditions may be limited. Return of capital and realization of gains, if any, from an investment generally will occur upon disposition of the underlying property. The Company may be unable to realize its investment objectives by sale at attractive prices within any given period of time or may otherwise be unable to complete any exit strategy. Weakness in or lack of an established market for a property, changes in the financial condition, changes in national or international economic conditions and changes in laws, regulations or fiscal policies of jurisdictions in which the property is located, in each case may limit the Company's ability to dispose of a property.

The Company's Property is subject to negative weather conditions, seasonal variability which may affect the Company's tenants' ability to pay rent and have an adverse effect on the Company's results of operations, financial condition, and ability to make distributions to Members. Farmlands are susceptible to negative weather conditions, including windstorms, freeze, tornados, floods, drought and extreme temperature swings, which are common but difficult to predict. Seasonal factors, including supply and demand, may also have an effect on the value of the Property.

Market prices for crops and/or cattle that the Company's tenants may produce on the Property may display periods of volatility, which may affect the Company's tenants' ability to pay rent and thereby have an adverse effect on the Company's results of operations and its ability to make distributions to Members. The value of a crop and cattle is affected by many factors that can differ on an annual basis. The unpredictability of weather extremes creates a significant risk of price volatility, which may either increase or decrease the value of the crops and/or cattle that the Company's tenants produce each year. Other material factors adding to the volatility of crop and/or cattle prices are changes in government regulations and policy, fluctuations in foreign trade and export markets, and eruptions of military conflicts or civil unrest. Although rental payments under the majority of the Company's leases typically are not based on the quality or profitability of the Company's tenants' harvests and production, any of these factors could adversely affect the tenants' ability to meet their obligations to the Company and the Company's ability to lease or re-lease properties on favorable terms, or at all, which could have a material adverse effect on the value of Company investments, results of operations and its ability to make distributions to Members.

Changes in government fiscal and monetary policies could affect the valuation of farmland and the profitability of farming operations, which could materially and adversely affect the value of Company investments and its distributions to Members. Government programs directly and indirectly affect the income potential of farm operators. These include marketing programs, finance rates, export policies, renewable fuel and insurance policies and subsidy programs. Negative changes to or the elimination of programs and policies could harm crop and/or cattle prices and the profitability of farming profitability, which could materially and adversely impact the value of the Company's farm investments and its ability to lease such Property on favorable terms, or at all, which would have a material adverse effect on the Company's operations and ability to make distributions to Members. In addition, government programs for conservation, alternative or renewable energy sources and the tax treatment of those items could materially and adversely impact the value of the Company's farm investments.

FEDERAL INCOME TAX RISKS

No Rulings from Service. The Company has not requested, and does not intend to request or receive, private letter rulings from the Service concerning any tax issue relating to an investment in the Company. In the absence of such rulings, the Service could challenge the Company's Federal income tax treatment of any tax matter contained on the Company's information returns. Such challenges could lead to the adjustment of tax items of the Company and of the investors.

Company Status. We intend that the Company will be classified as a partnership for Federal income tax purposes, rather than an association or a publicly traded partnership that would be taxable as a corporation. For Federal income tax purposes, a partnership is generally not a taxable entity. Instead, a partnership is generally a conduit through which all items of partnership income, gain, loss, deduction and credit are passed through to its members and are taken into account by the members on their individual income tax returns. In addition, cash distributions from a partnership to its members generally are not taxable to the members, except to the extent the amount of the distribution exceeds such member's tax basis in his, her or its interest in the partnership.

Taxable Income May Exceed Cash Distributions. Each investor will be taxed on such investor's distributive share of the taxable income of the Company, regardless of the actual cash distributions received from the Company. Each investor, therefore, may be subject to income tax liability in excess of cash actually distributed to the investor by the Company, in which event each such investor would be required to pay such tax liability from other funds.

In the event the investors' capital accounts are negative at any time, items of Company income (including gross income) will be specially allocated to eliminate such investors' negative capital account balances as quickly as possible. Investors should be aware that such special allocations may result in the allocation of taxable income to the investors at a time when the Company does not have sufficient cash to distribute to the investors to cover any income tax liability resulting from such special allocations. In addition, to the extent that the Company does not have sufficient taxable income or gain necessary to eliminate any negative capital account balance existing upon liquidation of the Company, the investors may be required to recognize taxable income in an amount equal to the final negative balance in the investor's capital account.

Allocation of Income and Loss. The Operating Agreement provides for allocations of income or loss from Company operations and other Company activities. Whether such allocations will be respected for Federal income tax purposes is determined, in large part, by section 704(b) of the Code and the Treasury Regulations promulgated thereunder. Generally, an allocation will be respected if the allocation either has substantial economic effect or is in accordance with an investor's interest in the Company. The Company believes that the Operating Agreement's allocations of income and loss have substantial economic effect and otherwise comply with section 704(b) of the Code and the Treasury Regulations promulgated thereunder. However, if such allocations are not respected, the investors' respective Units of income, gains, losses, deductions and credits from the Company could be subject to upward or downward adjustment in one or more taxable years, if such audit adjustments are sustained in subsequent administrative and/or judicial proceedings.

Further Legislation. The Federal income tax laws are subject to change at any time, including retroactive changes, which may adversely affect the benefits of an investment in the Company. Certain provisions of the Code may be further amended or interpreted in a manner adverse to the Company, in which event the benefits derived from this investment may be adversely affected. There can be no assurance that changes to the tax law or interpretations thereof will not occur that may adversely affect the Federal income tax consequences of an investor's investment in the Company.

STATE INCOME TAX RISKS

NEITHER THE MANAGER NOR THE COMPANY HAS MADE ANY INVESTIGATION OR INQUIRY AS TO THE STATE OR LOCAL INCOME TAX RISKS OR CONSEQUENCES WITH RESPECT TO AN INVESTMENT IN, OR OWNERSHIP OF, THE UNITS. THE STATE AND LOCAL INCOME TAX CONSEQUENCES TO A PROSPECTIVE INVESTOR MAY VARY DEPENDING ON THE RESIDENCY AND DOMICILE OF SUCH INVESTOR. EACH PROSPECTIVE INVESTOR IS URGED TO CONSULT HIS, HER OR ITS OWN TAX ADVISOR REGARDING THE STATE AND LOCAL TAX CONSEQUENCES TO THE INVESTOR OF AN INVESTMENT IN THE COMPANY UNITS.

The foregoing is a summary of certain tax risks relating to an investment in the Company. This summary should not be interpreted as a representation that the matters referred to herein are the only tax risks involved in this investment, or that the magnitude of each risk is necessarily equal. Neither the Company, the Manager nor anyone on their behalf, is providing any advice or counsel to any prospective investor regarding the tax-related risks of an investment in the Company. Prospective investors are strongly urged to consult their own tax advisors as to all tax consequences of an investment in the Company.

END OF DISCLOSURE STATEMENT