Summary Risk Factors

Investing in our common stock involves a high degree of risk. If we are unable to effectively manage the impact of these risks, we may not meet our investment objectives, and therefore, you should purchase these securities only if you can afford a complete loss of your investment. See the section entitled ‘‘Risk Factors’’ in this prospectus for a discussion of the risks which should be considered in connection with your investment in our common stock. Some of the more significant risks relating to this offering and an investment in our shares include:

- We have a very limited operating history and have no established financing sources;
- This is a blind pool offering and you may not have the opportunity to evaluate our investments before you make your purchase of our common stock, thus making your investment more speculative;
- We currently own only one property and have not identified any other properties to acquire with the offering proceeds;
- No public market currently exists, or may ever exist, for shares of our common stock and our shares are, and may continue to be, illiquid;
- If we, through New York Recovery Advisors, LLC, are unable to find suitable investments, then we may not be able to achieve our investment objectives or pay distributions;
- Our properties may be adversely affected by the current economic downturn, as well as economic cycles and risks inherent to the New York MSA, especially New York City;
- If we are unable to raise substantial funds, we will be limited in the number and type of investments we may make and the value of your investment in us will fluctuate with the performance of the specific properties we acquire;
- If only the minimum number of shares is sold in this offering, our ability to diversify our investments will be limited;
- We may be unable to pay or maintain cash distributions or increase distributions over time;
- We may pay distributions from unlimited amounts of any source. For example, we may borrow money or use proceeds of this offering to make distributions to our stockholders if we are unable to make distributions with our cash flows from our operations. Such distributions could reduce the cash available to us and could constitute a return of capital to stockholders;
- Our share repurchase program is subject to numerous restrictions, may be cancelled at any time and should not be relied upon as a means of liquidity;
- There are numerous conflicts of interest between the interests of investors and our interests or the interests of our advisor, our sponsor and their respective affiliates;
- The incentive advisor fee structure may result in our advisor recommending riskier or more speculative investments;
- Our investment objectives and strategies may be changed without stockholder consent;
- We are obligated to pay substantial fees to our advisor and its affiliates, including fees payable upon the sale of properties;
- There are significant risks associated with maintaining as high level of leverage as permitted under our charter (which permits leverage of up to 300% of our total ‘‘net assets’’ (as defined by the NASAA REIT Guidelines) as of the date of any borrowing, which is generally expected to be approximately 75% of the cost of our investments);
- There are limitations on ownership and transferability of our shares;
- We are subject to risks associated with the significant dislocations and liquidity disruptions currently existing or occurring in the United States credit markets;
- We may fail to qualify or continue to qualify to be treated as a REIT;
- Our dealer manager has not conducted an independent review of this prospectus; and
- We may be deemed to be an investment company under the Investment Company Act and thus subject to regulation under the Investment Company Act.