

Risk Factors

Investing in our common stock involves a high degree of risk. You should purchase these securities only if you can afford a complete loss of your investment. See the section entitled “Risk Factors” beginning on page 27 of this prospectus for a discussion of the risks which should be considered in connection with your investment in our common stock, including:

- The amount of the distributions paid may decrease at any time. Due to the risks involved in the ownership of real estate, there is no guarantee of any return on your investment, and you may lose all or a portion of your investment.
- No public market exists for our shares of common stock, nor may a public market ever exist and our shares are illiquid.
- We are a “blind pool” offering because we currently do not own any investment properties and we have not identified any properties to acquire.
- Adverse changes in the financial condition of our advisor or our relationship with our advisor could adversely affect us.
- There are substantial conflicts among the interests of our investors, our interests and the interests of our advisor, sponsor, dealer manager and our and their respective affiliates regarding compensation, investment opportunities and management resources. For example, we will pay substantial fees to our advisor and its affiliates, including fees based on NAV, which the advisor will be responsible for calculating. Because these fees are based on NAV, the advisor and its affiliates will benefit from our shares having higher NAV and therefore they have an incentive to cause the NAV to be higher.
- Our organizational documents permit us to pay distributions from unlimited amounts of any source. Until substantially all the proceeds from this offering are invested, we may use proceeds from this offering and financings to fund distributions until we have sufficient cash flow. There are no established limits on the amounts of net proceeds and borrowings that we may use to fund such distribution payments.
- Any of these distributions may reduce the amount of capital we ultimately invest in properties and other permitted investments and negatively impact the value of your investment.
- Our failure to qualify, or remain qualified, as a REIT would result in higher taxes, may adversely affect our operations, and would reduce our NAV and cash available for distributions.
- The purchase price and redemption price for our shares will be based on NAV rather than a public trading market. Our published NAV may not accurately reflect the value of our assets. No public market exists for our shares of common stock, nor may a public market ever exist.
- There are limitations on ownership and transferability of our shares. Please see “Description of Securities—Restrictions on Ownership and Transfer.”
- The management of multiple REITs by our executive officers and officers of our advisor may significantly reduce the amount of time spent on activities related to us and cause other conflicts of interest, which may cause operating results to suffer.
- We will compete for investors with other programs of our sponsor.