

# **Stateside Realty Inc.**

**TERMS AND CONDITIONS**

**AND**

**REGULATION S SUBSCRIPTION**

**AND**

**INVESTOR REPRESENTATION AGREEMENT**

## 1. Section 1

### 1.1. Subscription

The undersigned subscriber ("**Subscriber**"), intending to be legally bound, hereby irrevocably subscribes for {1} shares (the "**Shares**") of the common stock (the "**Common Stock**") of Stateside Realty Inc., a Wyoming corporation (the "**Company**"), for an aggregate purchase price of US\$ {1} (the "**Purchase Price**"), at a per Share Price in accordance with section 3.1.2.

## 2. Section 2

### 2.1. Closing and Payment

The closing (the "**Closing**") of the purchase and sale of the Shares shall occur as soon as practicable following the execution of this Agreement. The Subscriber shall transfer the Purchase Price to the Company's bank account or respective crypto wallet, in such case the Company accepts crypto currencies as payment method.

## 3. Section 3

### 3.1. The Offering

#### 3.1.1. Offering

Up to 5,425,000.- shares of Common stock are offered. The shares of Common stock acquired are restricted securities and may not be sold or transferred without registration or compliance with an exemption from registration under Federal and state securities laws.

#### 3.1.2. Share Price

The Common shares will be sold at a share price ("**Share Price**") in accordance with the following table. After the threshold of Phase 1 is reached the Common Shares will be sold with the Share Price of Phase 2. After the threshold of Phase 2 is reached the Common Shares will be sold with the Share Price of Phase 3.

Phase	Share Price per Common Share	Common Stocks	Total Amount
Phase 1	US\$ 1	2,025,000	US\$ 2,025,000
Phase 2	US\$ 1.50	1,650,000	US\$ 2,475,000
Phase 3	US\$ 2	1,750,000	US\$ 3,500,000

Total	-	5,425,000	US\$ 8,000,000
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### 3.1.3. Use of Proceeds

The gross proceeds to the Company from the sale of the shares offered hereby will be up to US\$ 8,000,000.- and will be used by the Company for the acquisition and disposition of properties in the United States and abroad, for working capital and for general corporate purposes. The Company is not in a position to allocate the proceeds in detail as no agreements to acquire additional properties have been reached as of the date of this Agreement, although the Company is currently exploring a number of options. The Company foresees the need for additional capital to meet the Company's expansion and operations. There can be no assurance that the Company will not require additional financing or that if required, additional financing will be available on commercially reasonable terms or otherwise.

## 3.2. About the Company

The purpose of the Company is to engage in any legally permissible activity for which corporations may be formed. Stateside Realty Inc. is a company headquartered in the state of Wyoming, specializing in the buying and selling of real estate, particularly employing the "Fix'n Flips" strategy. The main activities of the Company include the acquisition, renovation, and subsequent sale of real estate. Additionally, the Company is authorized to perform all activities related to this business field.

Stateside Realty Inc. reserves the right to establish branches both domestically and internationally, participate in other companies, as well as acquire, manage, and sell real estate and properties. Participation in companies with their own properties is also permitted. The Company is empowered to take all necessary and sensible measures to achieve its corporate purpose and operate the business successfully. It is planned to issue shares of the Company and conduct the tokenization of portions of the Company.

### 3.2.1. Common Shares

#### i. Common Share

The shares of Common stock are equal between each other. Each issued and outstanding share of common stock entitles the holder thereof to one vote on all matters submitted to a vote of the stockholders. The Company's Certificate of Incorporation does not permit cumulative voting of shares in the election of directors or permit pre-emptive rights to stockholders to acquire additional shares, obligations, warrants or other securities of the Company.

The Certificate of Incorporation makes no provision with respect to subscription or conversion rights, redemption privileges or sinking funds with respect to shares of the Company's Common stock.

ii. Voting Rights - Control of the Company.

The executive officers, directors and control groups jointly own an aggregate of 100% of the issued Preferred Shares of the Company. This is a significant concentration of shares and can have a meaningful impact on matters brought before the shareholders for a vote. This must be seen in the context that each preferred Stock has 10 Votes, each Common Stock has 1 vote. The executive officers and directors are entitled to receive additional shares as a part of their compensation packages.

iii. Dividend Payments

Subject to the rights of holders of common stock (if any), dividends on Common stock may be paid if, as and when declared by the annual shareholder meeting out of funds legally available therefore.

iv. Tokenization of the Common Shares

Common Shares have the same rights and are therefore standardized. The shares are represented by ERC-20 based tokens issued by the Company in a smart contract of the issuer in a polygon protocol on the Ethereum blockchain. As with other distributed ledger technologies (DLTs), the Ethereum blockchain records the transaction history in a blockchain in an unalterable manner.

### 3.2.2. Ownership of the Preferred Stocks

The following table sets forth, as of December 21<sup>st</sup> 2023, information concerning the beneficial ownership of the Company's Preferred stock by (i) each person known to the Company to be the beneficial owner of more than 5% of the outstanding shares of the Company's Preferred Stock, (ii) each director of the Company, (iii) each of the executive officers of the Company and (iv) all directors and executive officers as a group. To the best of the Company's knowledge, each of the persons named in the table has sole voting and investment power with respect to all the shares of Preferred stock beneficially owned by such person as set forth opposite such person's name.

Name	Amount of Preferred Stocks	% of the available Preferred Stocks
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### 3.2.3. Business Strategy

The corporate purpose of Stateside Inc. is to acquire, renovate and sell properties. The focus is on identifying and selecting properties with a potential for value appreciation. Through targeted renovation and modernisation, the Company aims to sell these properties at a higher market price. While large players concentrate on commercial and industrial properties, Stateside Inc. keeps its focus on residential properties and building plots, as it is easier to let residential properties in times of crisis and therefore ensures higher occupancy rates.

### 3.2.4. The Business Model

Stateside Realty Inc. was incorporated in the state of Wyoming in 2023. The Company was formed to focus on the acquisition and exploitation of fix'n flip strategies in the United States and abroad and general corporate purposes. The Stateside Realty Inc. business model is based on the following steps:

- i. Property Scouting  
Identification and selection of undervalued properties and land.
- ii. Planning and Exit Strategy  
Before a property is acquired, the team analyzes the costs incurred until the sale. Initial requests for quotations are sent to at least two, usually three general contractors who are to carry out the renovations.
- iii. Purchase Negotiation  
As a so-called "cash payer", the Company has an advantage of being able to buy immediately, whereas buyers who are dependent on bank financing often have to go through lengthy processes.
- iv. Renovation Phase  
The Real Estate is renovate.
- v. Appraisal/Inspection  
In many states, an appraisal is required for the sale of a property. This appraisal is usually carried out by a municipal inspector.
- vi. Sales  
If necessary, home staging activities are carried out to improve the emotional presentation of the property and to increase the sales price. Accredited estate agents activate their network and offer the property to potential buyers.

#### 3.2.5. Conflicts of Interest

The Company's officers and directors spend a portion of their time performing services for other corporations; control or own interests in other corporations; and may become involved in other ventures in the future, and it is possible that conflicts of interest could arise.

### 4. Section 4

#### 4.1. Subscriber Representations and Warranties

The Subscriber hereby acknowledges, represents and warrants to, and agrees with, the Company and its affiliates as follows:

- 4.1.1. The Subscriber is acquiring the Shares for his own account as principal, not as a nominee or agent, for investment purposes only, and not with a view to, or for, resale, distribution or fractionalization thereof in whole or in part and no other person has a direct or indirect beneficial interest in such Shares or any portion thereof. Further, the Subscriber does not have any contract, undertaking, agreement or arrangement with any person to sell, transfer or grant participations to such person or to any third person, with respect to the Shares for which the Subscriber is subscribing or any part of the Shares.
- 4.1.2. The Subscriber has full power and authority to enter into this Agreement, the execution and delivery of this Agreement has been duly authorized, if applicable, and this Agreement constitutes a valid and legally binding obligation of the Subscriber.
- 4.1.3. The Subscriber is not subscribing for the Shares as a result of or subsequent to any advertisement, article, notice or other communication published in any newspaper, magazine or similar media or broadcast over television or radio, or presented at any seminar or meeting, or any solicitation of a subscription by person previously not known to the Subscriber in connection with investment securities generally.
- 4.1.4. The Subscriber understands that the Company is under no obligation to register the Shares under the Securities Act of 1933, as amended (the "**Securities Act**"), or to assist the Subscriber in complying with the Securities Act or the securities laws of any state of the United States or of any foreign jurisdiction.
- 4.1.5. The Subscriber is (i) experienced in making investments of the kind described in this Agreement and the related documents, (ii) able, by reason of the business and financial experience of its officers (if an entity) and professional advisors (who are not affiliated with or compensated in any way by the Company or any of its affiliates or selling agents), to protect its own interests in connection with the

transactions described in this Agreement, and the related documents, and (iii) able to afford the entire loss of its investment in the Shares.

4.1.6. The Subscriber acknowledges his understanding that the offering and sale of the Shares is intended to be exempt from registration under the Securities Act. In furtherance thereof, in addition to the other representations and warranties of the Subscriber made herein, the Subscriber further represents and warrants to and agrees with the Company and its affiliates as follows:

- i. The Subscriber realizes that the basis for the exemption may not be present if, notwithstanding such representations, the Subscriber has in mind merely acquiring the Shares for a fixed or determinable period in the future, or for a market rise, or for sale if the market does not rise. The Subscriber does not have any such intention;
- ii. The Subscriber has the financial ability to bear the economic risk of his investment, has adequate means for providing for his current needs and personal contingencies and has no need for liquidity with respect to his investment in the Company;
- iii. The Subscriber has such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of the prospective investment in the Shares. The Subscriber also represents it has not been organized for the purpose of acquiring the Shares;
- iv. The Subscriber has been provided an opportunity for a reasonable period of time prior to the date hereof to obtain additional information concerning the offering of the Shares, the Company and all other information to the extent the Company possesses such information or can acquire it without unreasonable effort or expense; and
- v. The Subscriber has carefully reviewed all material information regarding the Company, its business and its potential risks.

4.1.7. The Subscriber is not relying on the Company, or its affiliates or agents with respect to economic considerations involved in this investment. The Subscriber has relied solely on its own advisors.

4.1.8. No representations or warranties have been made to the Subscriber by the Company, or any officer, employee, agent, affiliate or subsidiary of the Company, other than the representations of the Company contained herein, and in subscribing for Shares the Subscriber is not relying upon any representations other than those contained herein.

#### 4.2. Compliance with Local Laws

Any resale of the Shares during the “distribution compliance period” as defined in Rule 902(f)

to Regulation S shall only be made in compliance with exemptions from registration afforded by Regulation S. Further, any such sale of the Shares in any jurisdiction outside of the United States will be made in compliance with the securities laws of such jurisdiction. The Subscriber will not offer to sell or sell the Shares in any jurisdiction unless the Subscriber obtains all required consents, if any.

#### 4.3. Regulation S Exemption

The Subscriber understands that the Shares are being offered and sold in reliance on an exemption from the registration requirements of United States federal and state securities laws under Regulation S promulgated under the Securities Act and that the Company is relying upon the truth and accuracy of the representations, warranties, agreements, acknowledgments and understandings of the Investor set forth herein in order to determine the applicability of such exemptions and the suitability of the Investor to acquire the Shares. In this regard, the Subscriber specifically represents, warrants and agrees that:

4.3.1. The Subscriber is not a U.S. Person (as defined below), is not an affiliate (as defined in Rule 501(b) under the Securities Act) of the Company and is not acquiring the Shares for the account or benefit of a U.S. Person. A U.S. Person means any one of the following:

- i. any natural person resident in the United States of America;
- ii. any partnership or corporation organized or incorporated under the laws of the United States of America; any estate of which any executor or administrator is a U.S. person;
- iii. any trust of which any trustee is a U.S. person;
- iv. any agency or branch of a foreign entity located in the United States of America;
- v. any non-discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary for the benefit or account of a U.S. person;
- vi. any discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary organized, incorporated or (if an individual) resident in the United States of America; and any partnership or corporation if:
  - organized or incorporated under the laws of any foreign jurisdiction;
  - and formed by a U.S. person principally for the purpose of investing in securities not registered under the Securities Act, unless it is organized or incorporated, and owned, by accredited investors (as defined in Rule 501(a) under the Securities Act) who are not natural persons, estates or trusts.



- 4.3.2. At the time of the origination of contact concerning this Agreement and the date of the execution and delivery of this Agreement, the Subscriber was outside of the United States.
- 4.3.3. The Subscriber will not, during the period commencing on the date of issuance of any Shares and ending on the first anniversary of such date, or such shorter period as may be permitted by Regulation S or other applicable securities law (the “**Restricted Period**”), offer, sell, pledge or otherwise transfer the Shares in the United States, or to a U.S. Person for the account or for the benefit of a U.S. Person, or otherwise in a manner that is not in compliance with Regulation S.
- 4.3.4. The Subscriber will, after expiration of the Restricted Period, offer, sell, pledge or otherwise transfer the Shares only pursuant to registration under the Securities Act or an available exemption therefrom and in accordance with all applicable state and foreign securities laws.
- 4.3.5. The Subscriber was not in the United States, engaged in, and prior to the expiration of the Restricted Period will not engage in, any short selling of or any hedging transaction with respect to the Shares, including without limitation, any put, call or other option transaction, option writing or equity swap.
- 4.3.6. Neither the Subscriber nor or any person acting on his behalf has engaged, nor will engage, in any directed selling efforts to a U.S. Person with respect to the Shares and the Investor and any person acting on his behalf have complied and will comply with the “offering restrictions” requirements of Regulation S under the Securities Act.
- 4.3.7. The transactions contemplated by this Agreement have not been pre-arranged with a buyer located in the United States or with a U.S. Person, and are not part of a plan or scheme to evade the registration requirements of the Securities Act.
- 4.3.8. Neither the Subscriber nor any person acting on his behalf has undertaken or carried out any activity for the purpose of, or that could reasonably be expected to have the effect of, conditioning the market in the United States, its territories or possessions, for any of the Shares. The Subscriber agrees not to cause any advertisement of the Shares to be published in any newspaper or periodical or posted in any public place and not to issue any circular relating to the Shares, except such advertisements that include the statements required by Regulation S under the Securities Act, and only offshore and not in the U.S. or its territories, and only in compliance with any local applicable securities laws.
- 4.3.9. Each certificate representing the Shares shall be endorsed with the following legends, in addition to any other legend required to be placed thereon by applicable federal or state securities laws:

“THE SECURITIES ARE BEING OFFERED TO INVESTORS WHO ARE NOT U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT OF 1933, AS AMENDED (“THE SECURITIES ACT”)) AND WITHOUT REGISTRATION WITH THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION UNDER THE SECURITIES ACT IN RELIANCE UPON REGULATION S PROMULGATED UNDER THE SECURITIES ACT.”

“TRANSFER OF THESE SECURITIES IS PROHIBITED, EXCEPT IN ACCORDANCE WITH THE PROVISIONS OF REGULATION S, PURSUANT TO REGISTRATION UNDER THE SECURITIES ACT, OR PURSUANT TO AVAILABLE EXEMPTION FROM REGISTRATION. HEDGING TRANSACTIONS MAY NOT BE CONDUCTED UNLESS IN COMPLIANCE WITH THE SECURITIES ACT.”

- 4.3.10. The Subscriber consents to the Company making a notation on its records or giving instructions to any transfer agent of the Company in order to implement the restrictions on transfer of the Shares set forth in this Section 4.
- 4.3.11. The Subscriber understands that an investment in the Shares is a speculative investment which involves a high degree of risk and the potential loss of his entire investment.
- 4.3.12. The Subscriber’s overall commitment to investments which are not readily marketable is not disproportionate to the Subscriber’s net worth, and an investment in the Shares will not cause such overall commitment to become excessive.
- 4.3.13. The Subscriber has received all documents, records, books and other information pertaining to the Subscriber’s investment in the Company that has been requested by the Subscriber.
- 4.3.14. The Subscriber represents and warrants to the Company that all information that the Subscriber has provided to the Company, including, without limitation, the information provided during the KYC & Onboarding Process to the Company, is correct and complete as of the date hereof.
- 4.3.15. Other than as set forth herein, the Subscriber is not relying upon any other information, representation or warranty by the Company or any officer, director, stockholder, agent or representative of the Company in determining to invest in the Shares. The Subscriber has consulted, to the extent deemed appropriate by the Subscriber, with the Subscriber’s own advisers as to the financial, tax, legal and related matters concerning an investment in the Shares and on that basis believes that his or its investment in the Shares is suitable and appropriate for the Subscriber.

- 4.3.16. The Subscriber is aware that no federal or state agency has (i) made any finding or determination as to the fairness of this investment, (ii) made any recommendation or endorsement of the Shares or the Company, or (iii) guaranteed or insured any investment in the Shares or any investment made by the Company.
- 4.3.17. The Subscriber understands that the price of the Shares offered hereby bears no relation to the assets, book value or net worth of the Investment in the Company and was determined arbitrarily by the Company. The Subscriber further understands that there is a substantial risk of further dilution on his or its investment.

## **5. Section 5**

### **5.1. Company Representations and Warranties.**

The Company represents and warrants to the Subscriber as follows:

#### **5.1.1. Organization of the Company**

The Company is a corporation duly organized and validly existing and in good standing under the laws of the State of Wyoming, and has all requisite power and authority to own, lease and operate its properties and to carry on its business as now being conducted.

#### **5.1.2. Authority**

The Company has the requisite corporate power and authority to enter into and perform its obligations under this Agreement and to issue the Shares; the execution and delivery of this Agreement by the Company and the consummation by it of the transactions contemplated hereby and thereby have been duly authorized by all necessary corporate action and no further consent or authorization of the Company or its Board of Directors or stockholders is required; and this Agreement has been duly executed and delivered by the Company and constitutes a valid and binding obligation of the Company enforceable against the Company in accordance with its terms, except as such enforceability may be limited by applicable bankruptcy, insolvency, or similar laws relating to, or affecting generally the enforcement of, creditors' rights and remedies or by other equitable principles of general application.

#### **5.1.3. Exemption from Registration; Valid Issuances**

The sale and issuance of the Shares, in accordance with the terms and on the bases of the representations and warranties of the Subscriber set forth herein,

may and shall be properly issued by the Company to the Subscriber pursuant to Section 4(a)(2) of the Securities Act, Regulation D, Regulation S and/or any applicable state law. When issued and paid for as herein provided, the Shares shall be duly and validly issued, fully paid, and nonassessable. Neither the sales of the Shares pursuant to, nor the Company's performance of its obligations under, this Agreement shall (a) result in the creation or imposition of any liens, charges, claims or other encumbrances upon the Shares or any of the assets of the Company, or (b) entitle the other holders of the Common Stock of the Company to preemptive or other rights to subscribe to or acquire the Common Stock or other securities of the Company. The Shares shall not subject the Subscriber to personal liability by reason of the ownership thereof.

5.1.4. No General Solicitation or Advertising in Regard to this Transaction

Neither the Company nor any of its affiliates nor any person acting on its or their behalf (a) has conducted or will conduct any general solicitation (as that term is used in Rule 502(c) of Regulation D) or general advertising with respect to any of the Shares, or (b) made any offers or sales of any security or solicited any offers to buy any security under any circumstances that would require registration of the Common Stock under the US Securities Act.

5.1.5. No Conflicts

The execution, delivery and performance of this Agreement by the Company and the consummation by the Company of the transactions contemplated hereby, including without limitation the issuance of the Shares, do not and will not (a) result in a violation of the Certificate or By-Laws of the Company or (b) conflict with, or constitute a material default (or an event that with notice or lapse of time or both would become a material default) under, or give to others any rights of termination, amendment, acceleration or cancellation of, any material agreement, indenture, instrument or any "lock-up" or similar provision of any underwriting or similar agreement to which the Company is a party, or (c) result in a violation of any federal, state, local or foreign law, rule, regulation, order, judgment or decree (including federal and state securities laws and regulations) applicable to the Company or by which any property or asset of the Company is bound or affected (except for such conflicts, defaults, terminations, amendments, accelerations, cancellations and violations as would not, individually or in the aggregate, have a material adverse effect on the business, operations, properties, prospects or condition (financial or otherwise) of the Company) nor is the Company otherwise in violation of, conflict with or in default under any of the foregoing. The business of the Company is not being conducted in violation of any law, ordinance or

regulation of any governmental entity, except for possible violations that either singly or in the aggregate do not and will not have a material adverse effect on the business, operations, properties, prospects or condition (financial or otherwise) of the Company. The Company is not required under federal, state or local law, rule or regulation to obtain any consent, authorization or order of, or make any filing or registration with, any court or governmental agency in order for it to execute, deliver or perform any of its obligations under this Agreement or issue and sell the Common Stock in accordance with the terms hereof (other than any SEC, NASD or state securities filings that may be required to be made by the Company subsequent to the Closing, any registration statement that may be filed pursuant hereto, and any shareholder approval required by the rules applicable to companies whose common stock trades on the Over The Counter Bulletin Board); provided that, for purposes of the representation made in this sentence, the Company is assuming and relying upon the accuracy of the relevant representations and agreements of the Subscriber herein.

**5.1.6. No Integrated Offering**

Neither the Company, nor any of its affiliates, nor any person acting on its or their behalf has, directly or indirectly, made any offers or sales of any security or solicited any offers to buy any security, other than pursuant to this Agreement, under circumstances that would require registration of the Common Stock under the Securities Act, other than the private offering which the Company is conducting in the United States contemporaneously with this offering.

**5.1.7. No Misleading or Untrue Communication**

The Company, any person representing the Company, and, to the knowledge of the Company, any other person selling or offering to sell the Shares, if any, in connection with the transactions contemplated by this Agreement, have not made, at any time, any written or oral communication in connection with the offer or sale of the same which contained any untrue statement of a material fact or omitted to state any material fact necessary in order to make the statements, in the light of the circumstances under which they were made, not misleading.

## **6. Section 6**

### **6.1. Risk Factors**

AN INVESTMENT IN THE COMPANY INVOLVES SIGNIFICANT RISK AND IS SUITABLE ONLY FOR PERSONS WHO ARE CAPABLE OF BEARING THE RISKS, INCLUDING THE RISK OF LOSS OF A SUBSTANTIAL PART OR ALL OF THEIR INVESTMENT. CAREFUL CONSIDERATION OF THE FOLLOWING RISK FACTORS, AS WELL AS OTHER

INFORMATION IN THIS AGREEMENT, IS ADVISABLE PRIOR TO INVESTING. PROSPECTIVE INVESTORS SHOULD READ ALL SECTIONS OF THIS AGREEMENT AND ARE STRONGLY URGED AND EXPECTED TO CONSULT THEIR OWN LEGAL AND FINANCIAL ADVISERS BEFORE INVESTING IN THE SHARES.

#### 6.1.1. General Risks

The Shares being offered by this Private Placement Memorandum are extremely speculative and involve a high degree of risk. Therefore, no one should invest in the Shares unless he can afford the complete loss of his investment, and each prospective investor should carefully consider the following risk factors prior to making an investment in the Shares.

- i. Illiquidity  
Private placements of Common Stocks typically lack the same level of liquidity as publicly traded investments. It might not be possible to sell or exit your investment or even if you are able to sell your investment you might need to sell at a significantly lower price and therefore lose up to the total investment amount. before the agreed-upon term or without incurring significant costs.
- ii. Limited information transparency  
Private placements may have limited information available, making it harder to evaluate the investment thoroughly. Lack of comprehensive financial reporting can increase uncertainty.
- iii. Higher risk  
Private placements often involve higher risks due to the nature of the investment, such as investing in start-ups, unproven business models, or emerging industries. These ventures may have a higher failure rate compared to more established companies.
- iv. Less regulatory oversight  
Private placements are subject to fewer regulatory requirements than publicly traded investments, which increases the potential for fraudulent activities or misrepresentation. Conducting thorough due diligence is crucial.
- v. Concentration risk  
Investments in private placements may lack diversification since they often focus on specific sectors, industries, or individual companies. This concentration can amplify the impact of adverse events on your investment.
- vi. Limited investor protections  
Unlike public markets, private placements may not offer the same level of investor protections, such as transparency laws or regulatory safeguards.

Investors must carefully review the terms and conditions and understand the level of risk they are exposed to

vii. Market Risk

The investment may be subject to market fluctuations, where the value of the investment can rise or fall based on market conditions.

viii. Sales Risk

There is a possibility of low demand or limited marketability for the investment, which could impact its liquidity and potential for selling at a desired price.

ix. Legal Risk

Changes in laws, regulations, or legal disputes can affect the investment, leading to potential complications or losses.

x. Currency Risk

If the investment involves different currencies, fluctuations in exchange rates may impact the value of the investment when converting it back to the investor's currency.

xi. Political and Economic Risks

Political instability, changes in government policies, or economic downturns can impact the investment, potentially causing losses or hindering its success.

xii. Insurance Risk

Insurance coverage may not be available or may be insufficient to cover losses associated with the investment.

xiii. Operational Risks

Issues related to operational management, such as poor execution, mismanagement, or technological failures, can affect the investment's performance and outcomes.

6.1.2. Special Risks of the Business

i. Market fluctuations

Real estate markets can be volatile, and investing in companies that rely heavily on buying and selling properties exposes you to potential losses if market conditions change rapidly.

ii. Economic factors

Economic downturns or recessions can impact the demand for real estate, affecting the profitability of companies in this sector.

iii. Renovation costs

The success of these companies relies on their ability to renovate properties

effectively and within budget. Unexpected construction delays or cost overruns can eat into potential returns.

iv. Market timing

Timing is crucial in real estate investing. Companies in this field need to be strategic about when to buy, renovate, and sell properties to maximize profits. Poor timing can lead to reduced returns or even losses.

v. Sales and marketing risks

Successfully marketing and selling renovated properties is key. Companies must assess the demand, competition, and target market to ensure that sales goals are met.

vi. Regulatory and legal considerations

Real estate transactions are subject to various regulations and legal requirements. Failure to comply with these laws or unforeseen legal issues can have significant financial and reputational consequences. Also, changes in zoning laws, building codes, or other regulations can impact the feasibility and profitability of renovation projects.

vii. Unforeseen Market Trends

Changes in consumer preferences or market trends can affect the desirability of certain property types, potentially leading to slower sales or lower selling prices.

viii. Environmental and Structural Issues

Discovering unexpected environmental or structural issues during the renovation process can result in additional costs and delays.

ix. Legal Risks

Flipping companies may face legal challenges related to property titles, zoning disputes, or other issues that can disrupt project timelines and financial plans.

x. Market Volatility

Real estate markets can be highly cyclical, and economic downturns may adversely impact property values, affecting the profitability of the flipping venture.

xi. Financing Risks

Companies relying heavily on borrowed funds for property acquisition and renovations may face challenges if interest rates rise or if they struggle to secure favorable financing terms.



- xii. **Construction and Renovation Delays**  
Unforeseen construction delays, cost overruns, or issues with contractors can impact project timelines and erode profit margins.
- xiii. **Market Saturation**  
In competitive real estate markets, increased competition among flippers can lead to market saturation, making it harder to find profitable deals.
- xiv. **Interest Rate Fluctuations**  
Flipping companies may be sensitive to changes in interest rates, affecting both borrowing costs and the affordability of properties for potential buyers.
- xv. **Overestimation of ARV (After Repair Value)**  
If a company overestimates the potential selling price of a renovated property, it may struggle to recover costs and generate a profit.
- xvi. **Liquidity Concerns**  
Real estate is a relatively illiquid asset, and if market conditions change rapidly, selling properties at desired prices may become challenging.
- xvii. **Macro-Economic Factors**  
Broader economic factors such as unemployment rates, inflation, and consumer confidence can impact the real estate market and, subsequently, the success of flipping projects.
- xviii. **Permitting Requirements**  
Adherence to all necessary permits for renovations and construction activities is mandatory to avoid legal issues.
- xix. **Contractual Agreements**  
Clear and legally sound contractual agreements with contractors, suppliers, and other parties involved in the renovation process to avoid disputes.
- xx. **Consumer Protection Laws**  
Adherence to consumer protection laws to ensure transparency and fairness in property transactions.
- xxi. **Finance and Lending Regulations**  
Compliance with finance and lending regulations, particularly when securing loans for property acquisition and renovation.
- xxii. **Anti-Discrimination Laws**  
Adherence to anti-discrimination laws in property transactions and tenant selection.
- xxiii. **Occupational Safety and Health Standards**  
Ensuring a safe working environment for construction crews in compliance with occupational safety and health standards.

- xxiv. Title and Ownership Issues  
Thorough title searches to identify and address any potential ownership or title-related concerns before initiating a Fix-and-Flip project.
- xxv. Tax Implications  
Awareness of tax implications related to property transactions, capital gains, and potential tax benefits.
- xxvi. Insurance Requirements  
Adequate insurance coverage for the property during renovation and consideration of liability insurance.
- xxvii. Governmental Regulation  
The Company's operations can be affected by extensive regulation pursuant to various federal, state/provincial and local laws and regulations.
- xxviii. Competition  
The Fix-and-Flip industry is inherently competitive. The company will be in competition for the acquisition and renovation of properties with established firms, other independent market participants, and individuals. Many of these competitors possess significantly greater financial resources and other means compared to the company.
- xxix. Discretion in Use of Proceeds  
The Company presently intends to use the net proceeds of this Offering for the acquisition of real estates, working capital and general corporate purposes, however, management of the Company has broad discretion to adjust the application and allocation of the net proceeds of this Offering in order to address changed circumstances and opportunities. The success of the Company will be substantially dependent upon the discretion and judgement of the management of the Company with respect to the application and allocation of the net proceeds of this Offering.
- xxx. No Assurance of Future Profitability or Payment of Dividends  
The Company can make no assurances that its future operations will result in additional revenues or will be profitable. The salaries for management of the Company and other operating expenses are payable without regard to the profitability of the Company. Should the operations of the Company be profitable, it is likely that the Company would retain most or all of its earnings in order to finance future growth and expansion. Therefore, the Company does not presently intend to pay any cash dividends to the holders of its Common stock, and it is not likely that any dividends will be paid in the foreseeable future.

### 6.1.3. Technical Risks of the Investment Platform

#### i. Risks associated with the usage of Blockchain technology

The Issuer may use blockchain technology for the issuance of the Offered Shares. The blockchain technology is in an early stage and no standardized practices for its use have been defined yet. Investors are exposed to the risk that this technology may be subject to technical difficulties or that its functionality may be impaired by external influences. Due to a partial or complete collapse of the Ethereum / Polygon Blockchain relevant for the Offered Shares, investors could be temporarily and permanently unable to access their tokenized Shares. There is a risk of attacks against the network or the Ethereum / Polygon Blockchain used. Different types of attacks are conceivable. These attacks may render the network or the blockchain unusable, so that it would not be possible for investors to transfer their tokenized Shares. Should the network or the blockchain become completely unusable, there is a risk that investors would no longer have any access at all to the tokenized Shares allocated to their wallet. In the worst case, this can lead to the irretrievable loss of the tokens.

#### ii. Risk of Limited tradability

A liquid secondary market, in particular on the investment platform, for the tokenized Shares cannot be guaranteed; in this respect, the tradability of the Shares is limited. For this reason, the Shares can either not be sold at all or only with larger price discounts.

#### iii. Risk of transfer

The transfer process of the tokenized Shares is intended to ensure, in the event of a derivative acquisition, that the acquirer of the Shares is also listed in the register. Subject to any other provisions of the Terms and Conditions and unless a competent court has decided otherwise or mandatory law requires otherwise, the Issuer and the Registrar shall treat the respective creditor of the Shares entered in the Register as the exclusive creditor of the right arising under the Shares. If a transfer process other than the one envisaged in the terms and conditions of the profit participation rights has taken place, there is a risk that the register will be incorrect and that the issuer will make debt-discharging payments to the original holder.

#### iv. Risk of register entry

Only investors who are entered in the register on a distribution date or on the call interest redemption date are entitled to payment. If someone has

transferred his Shares beforehand and is no longer entered in the register, he is accordingly not entitled to a partial payout.

6.1.4. Risk Factors relating to the Offering

i. Determination of Offering Price

The number of shares of the Common stock to be offered and the aggregate offering price thereof were determined by the Company based upon the current number of shares of Common stock, the current trading market and price, the requirements for capital for the Company and management's determination of the amount of proceeds necessary for the planned business operations. The offering price bears no relationship to the book value, earnings or net worth of the Company. Further, in determining the number of shares to be offered and the aggregate offering price, the Company also considered such matters as estimates of its business potential, comparable values in the public market for companies in this industry and the present stage of development of its business. Accordingly, the offering price should not be considered as an indication of the actual fair market value of the securities offered as if appraised by a disinterested third party or the market value if the stock were publicly traded.

ii. Voting Rights - Control of the Company

The executive officers, directors and control groups jointly own an aggregate of 100% of the issued Preferred Shares of the Company. This is a significant concentration of shares and can have a meaningful impact on matters brought before the shareholders for a vote. This must be seen in the context that each Referrer Stock has 10 Votes, each Common Stock 1 vote. The executive officers and directors are entitled to receive additional shares as a part of their compensation packages.

iii. Immediate Dilution

The current stockholders of the Company have acquired their Common Stock or Preferred Stock at an average cost which is substantially less than that which the investors in this offering will pay for their Common stock. Therefore, the investors will bear a substantial portion of the initial risk of loss.

iv. Illiquidity

The securities available through this private placement are subject to restrictions on transferability and resale and may not be transferred or resold except as permitted by the Act and other applicable securities laws. The Shares will not be registered under federal or state securities laws, and

cannot be resold unless they are subsequently registered under such laws or unless an exemption from registration applies. Pursuant to Regulation D, the Shares owned by non-affiliates may not be resold for a period of one (1) year from the date of purchase. Shares held by affiliates have additional restrictions for resale. Effective February 15, 2008, the SEC amended Rule 144. Subject to specific conditions, Rule 144 allows the Issuer to consider requests for a limited release of resale restrictions after six months, so long as the Shares are sold through a broker-dealer or in a market transaction and SEC requirements can be met. There is no assurance this can or will occur. Rule 144 also sets additional conditions on the resale of the common shares held by beneficial owners holding over 10% interest in the issuers' (here, the Company) common shares that limits the investors to on-going sales volume restrictions after one year and those limitations continue indefinitely. There can be no assurance that the exemption afforded under Regulation D and/or Rule 144 will not be changed or available at the time an Investor elects to sell stock. Accordingly, Investors should not expect to be able to sell the Shares or otherwise liquidate their investment even in an emergency, or should their circumstances change, for at least six months. Further, if such a sale were possible, there can be no assurance the price would equal or exceed that paid by the investor in the present Offering. Investors must be prepared to bear the economic risk of holding the Shares for an indefinite period of time. The certificates representing the Shares will bear appropriate legends referring to restrictions on transferability imposed by the Securities Act and applicable state securities laws. In addition, the Shares may be subject to certain restrictions on transfer contained in the Subscription Agreement. Thus, purchasers of the Shares must be prepared to bear the economic risk of their investment for possibly an indefinite period.

v. Limited Due Diligence

There will be no underwriter to market or assist in the marketing of the securities offered hereby. The due diligence examination of the Company generally conducted by an underwriter has not been conducted in connection with this offering and the due diligence efforts conducted by Soliciting Dealers, if any, would probably be limited in scope.

vi. Tax Consequences

The Company will be taxed as a corporation. Prospective purchasers should not anticipate any tax benefits as a result of their investment. None of the deductible expenditures typically associated with limited partnership

investment programs will be available to the purchasers of the Common stock as a result of their investment. Dividends, if paid, will be taxed to the investor as portfolio income. Investors are urged to consult their own tax advisors.

vii. Securities Liabilities

The shares of Common stock have not been registered under the Securities Act, nor under applicable securities laws of any states. A failure to qualify for an exemption therefrom could subject the Company to liability for violation of the Securities Act and state securities laws, thus affecting its capital where rescission or fines are required. Further, the time and capital of the Company could be expended in defending an action even when it is ultimately exonerated.

viii. Completion of Offering

The Company cannot give any assurance that all of the shares offered hereby will be sold. Once an investment subscription has been received and accepted by the Company and the minimum offering has been sold, prospective purchasers will not have the opportunity to have their funds returned. If the minimum is not met, subscriptions received by the Company will be returned without interest. Until the minimum subscriptions are received and the initial closing takes place, subscribers' funds will be held in escrow and not returned unless the offering fails to close.

ix. Suitability

Investment in the shares of Common stock is recommended only to those persons who can afford to lose their entire investment and are in a position to hold the investment for an indefinite period of time. Subscriptions will be accepted only from those subscribers who represent that they meet certain minimum suitability standards. Additional suitability requirements for prospective purchasers may be imposed in certain jurisdictions in which shares are offered and sold. Such additional suitability requirements are set forth in special supplements to this Agreement for prospective Participants from such jurisdictions. The Company will not knowingly accept subscriptions from persons who do not satisfy all applicable suitability requirements.

## **7. Section 7**

### **7.1. Indemnity**

The Subscriber agrees to indemnify and hold harmless the Company, its officers and directors, employees and its affiliates and their respective successors and assigns and each

other person, if any, who controls any thereof, against any loss, liability, claim, damage and expense whatsoever (including, but not limited to, any and all expenses whatsoever reasonably incurred in investigating, preparing or defending against any litigation commenced or threatened or any claim whatsoever) arising out of or based upon any false representation or warranty or breach or failure by the Subscriber to comply with any covenant or agreement made by the Subscriber herein or in any other document furnished by the Subscriber to any of the foregoing in connection with this transaction.

#### 7.2. Modification

Neither this Agreement nor any provisions hereof shall be modified, discharged or terminated except by an instrument in writing signed by the party against whom any waiver, change, discharge or termination is sought.

#### 7.3. Notices

Any notice, demand or other communication which any party hereto may be required, or may elect, to give to anyone interested hereunder shall be sufficiently given if (a) deposited, postage prepaid, in a United States mail letter box, registered or certified mail, return receipt requested, addressed to such address as may be given herein, or (b) delivered personally at such address.

#### 7.4. Counterparts

This Agreement may be executed through the use of separate signature pages or in any number of counterparts and by facsimile, and each of such counterparts shall, for all purposes, constitute one agreement binding on all parties, notwithstanding that all parties are not signatories to the same counterpart. Signatures may be facsimiles.

#### 7.5. Binding Effect

Except as otherwise provided herein, this Agreement shall be binding upon and inure to the benefit of the parties and their heirs, executors, administrators, successors, legal representatives and assigns. If the Subscriber is more than one person, the obligation of the Subscriber shall be joint and several and the agreements, representations, warranties and acknowledgments herein contained shall be deemed to be made by and be binding upon each such person and his heirs, executors, administrators and successors.

#### 7.6. Entire Agreement

This Agreement and the documents referenced herein contain the entire agreement of the parties and there are no representations, covenants or other agreements except as stated or referred to herein and therein.

#### 7.7. Assignability

This Agreement is not transferable or assignable by the Subscriber.

7.8. Applicable Law

This Agreement shall be governed by and construed in accordance with the laws of the State of Wyoming, without giving effect to conflicts of law principles.

7.9. Pronouns

The use herein of the masculine pronouns “him” or “his” or similar terms shall be deemed to include the feminine and neuter genders as well and the use herein of the singular pronoun shall be deemed to include the plural as well.

*[Remainder of page intentionally left blank; signature page to follow.]*



## Signature page to Subscription Agreement

IN WITNESS WHEREOF, the Subscriber has executed this Agreement on {}, 2024.

Amount of Investment: US\$ {}

Address for Notices: {}

Telephone Number: {}

E-Mail Address: {}

Signature: \_\_\_\_\_  
(Name)

### **ACCEPTANCE OF SUBSCRIPTION** (to be filled out only by the Company)

The Company hereby accepts the above application for subscription for Shares on behalf of the Company.

Dated: {}

THE COMPANY: Stateside Realty Inc

Signature: \_\_\_\_\_  
(Name)