ADAMS FOURTH HOLDINGS, LLC

(Illinois limited liability company)

Unaudited Financial Statements

As of January 13, 2020 (inception) through August 31, 2020

IndigoSpire
CPAs & ADVISORS

INDEPENDENT ACCOUNTANT'S REVIEW REPORT

September 24, 2020

To: Board of Managers, Adams Fourth Holdings, LLC

Re: 2020 (inception) Financial Statement Review
Adams Fourth Holdings, LLC

We have reviewed the accompanying financial statements of Adams Fourth Holdings, LLC (the "Company"), which comprise the balance sheet as of January 13, 2020, and the related statements of income, owners' equity/deficit and cash flows from the inception through August 31, 2020, and the related notes to the financial statements.

A review includes primarily applying analytical procedures to management's financial data and making inquiries of company management. A review is substantially limited in scope compared to an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement whether due to fraud or error.

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Going Concern

As discussed in the Notes and Additional Disclosures, certain conditions indicate there is substantial doubt as to whether the Company may continue as a going concern. The accompanying financial statements do not include any adjustments which might be necessary should the Company be unable to continue as a going concern. Our conclusion is not modified with respect to that matter.

Sincerely,

IndigoSpire CPA Group

IndigoSpire CPA Group, LLC
Aurora, CO

ADAMS FOURTH HOLDINGS, LLC

BALANCE SHEET

As of August 31, 2020

See accompanying Accountant's Review Report and Notes to the Financial Statements

(Unaudited)

ASSETS	
Current assets:	
Cash and cash equivalents	$ 83
Total current assets	83
Building and equipment	431,005
Capitalized development costs	52,000
Total Assets	$ 483,088
LIABILITIES AND MEMBERS' DEFICIT	
Liabilities:	
Current liabilities:	
Accounts payable	$ 7,000
Property tax payable	13,920
Contract for deed payable	390,000
Developer fee payable	11,850
Investor loans	34,250
Total current liabilities	457,020
TOTAL LIABILITIES	457,020
Members Capital:	
Class A – Member capital	0
Class B – Member capital	57,500
Accumulated deficit	(31,432)
Total Members' Capital	26,068
Total Liabilities and Members' Capital	$ 483,088

ADAMS FOURTH HOLDINGS, LLC

STATEMENT OF OPERATIONS

For the inception period from January 12, 2020 through August 31, 2020

See accompanying Accountant's Review Report and Notes to the Financial Statements

(Unaudited)

Revenues	$ 0
Cost of revenues	0
Gross profit (loss)	0
Operating expenses:	
General and administrative	5,332
Professional fees	17,800
Rent	2,300
Sales and marketing	6,000
Total operating expenses	31,432
Operating income	(31,432)
Net income	$ (31,432)

ADAMS FOURTH HOLDINGS, LLC
STATEMENT OF MEMBERS' EQUITY
For the inception period from January 12, 2020 through August 31, 2020
See accompanying Accountant's Review Report and Notes to the Financial Statements
(Unaudited)

	Class A - Members' Capital	Class B – Members' Capital	Retained Earnings/ (Deficit)	Total Members' Capital
Balance as of inception (January 12, 2020)	$ 0	$ 0	$ 0	$ 0
Unit issuance		57,500		57,500
Period net income (loss)			(31,432)	(31,432)
Balance as of August 31, 2020	**$ 0**	**$ 57,500**	**$ (31,432)**	**$ 26,068**

ADAMS FOURTH HOLDINGS, LLC
STATEMENT OF CASH FLOWS
For the inception period from January 12, 2020 through August 31, 2020
See accompanying Accountant's Review Report and Notes to the Financial Statements
(Unaudited)

Cash flows from operating activities		
Net income	$	(31,432)
Adjustments to reconcile net loss to net cash used in operating activities:		
Changes in operating assets and liabilities:		
Increase (decrease) in accounts payable		7,000
Increase (decrease) in property tax payable		5,568
Net cash used in operating activities		(18,864)
Cash flows from investing activities		
Downpayment on building acquisition		(29,403)
Developer fees paid		(43,400)
Net cash used in investing activities		(72,803)
Cash flows from financing activities		
Proceeds from capital contributions		57,500
Proceeds from investor loans		34,250
Net cash provided by financing activities		91,750
Net change in cash and cash equivalents		83
Cash and cash equivalents at beginning of period		0
Cash and cash equivalents at end of period	$	83
Supplemental disclosure of cash flow information		
Cash paid for interest	$	0
Cash paid for income taxes		0

ADAMS FOURTH HOLDINGS LLC
NOTES TO FINANCIAL STATEMENTS
As of January 13, 2020
See accompanying Accountant's Review Report
(unaudited)

NOTE 1 - NATURE OF OPERATIONS

Adams Fourth Holdings, LLC (which may be referred to as the "Company," "we," "us," or "our") is a limited liability company organized in Illinois. The Company was formed to acquire and develop a mixed used property in Springfield, Illinois.

The Company incorporated on January 13, 2020.

Since Inception, the Company has relied on funds received from its founders to fund its operations. As of August 31, 2020, the Company had little working capital and will likely incur losses prior to generating positive working capital. These matters raise substantial concern about the Company's ability to continue as a going concern (see Note 6). During the next 12 months, the Company intends to fund its operations with funding from a crowdfunding campaign (see Note 8) and other syndication efforts. If the Company cannot secure additional short-term capital, the Company may cease operations. These financial statements and related notes thereto do not include any adjustments that might result from these uncertainties.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation
The accounting and reporting policies of the Company conform to accounting principles generally accepted in the United States of America ("GAAP"). The accompanying unaudited financial statements do not include all the information and notes required by GAAP for complete financial statements. In the opinion of management, all adjustments considered necessary for the fair presentation of the unaudited financial statements for the years presented have been included. The Company will report its results as of December 31 aside from this inception period financial statement.

Use of Estimates
The preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and the footnotes thereto. Actual results could differ from those estimates. It is reasonably possible that changes in estimates will occur in the near term.

Risks and Uncertainties
The Company has a limited operating history. The Company's business and operations are sensitive to general business and economic conditions in the United States. A host of factors beyond the Company's control could cause fluctuations in these conditions. Adverse conditions may include: recession, downturn or otherwise, local competition or changes in consumer taste. These adverse conditions could affect the Company's financial condition and the results of its operations. As of August 31, 2020, the Company is operating as a going concern. See Note 1 and Note 6 for additional information.

Cash and Cash Equivalents
The Company considers short-term, highly liquid investment with original maturities of three months or less at the time of purchase to be cash equivalents. Cash consists of funds held in the Company's checking account. As of August 31, 2020, the Company had $83 of cash on hand.

Receivables and Credit Policy
Trade receivables from customers are uncollateralized customer obligations due under normal trade terms, primarily requiring payment before services are rendered. Trade receivables are stated at the amount billed

to the customer. Payments of trade receivables are allocated to the specific invoices identified on the customer's remittance advice or, if unspecified, are applied to the earliest unpaid invoice. The Company, by policy, routinely assesses the financial strength of its customers. As a result, the Company believes that its accounts receivable credit risk exposure is limited and it has not experienced significant write-downs in its accounts receivable balances. As of January 13, 2020, the Company had no outstanding accounts receivable.

Property and Equipment
Property and equipment are recorded at cost. Expenditures for renewals and improvements that significantly add to the productive capacity or extend the useful life of an asset are capitalized. Expenditures for maintenance and repairs are expensed as incurred. When equipment is retired or sold, the cost and related accumulated depreciation are eliminated from the balance sheet accounts and the resultant gain or loss is reflected in income.

Depreciation is provided using the straight-line method, based on useful lives of the assets which range from three to forty years once the asset is placed in service.

The Company reviews the carrying value of property and equipment for impairment whenever events and circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. In cases where undiscounted expected future cash flows are less than the carrying value, an impairment loss is recognized equal to an amount by which the carrying value exceeds the fair value of assets. The factors considered by management in performing this assessment include current operating results, trends and prospects, the manner in which the property is used, and the effects of obsolescence, demand, competition, and other economic factors.

As of August 31, 2020, the Company had acquired the following fixed assets:

	Amount as of August 31, 2020	Notes
Building - 322 E Adams Street	400,000	Purchase price
Closing Costs	31,005	Broker's fee, closing costs
Equipment	10,000	Acquisition of assets from Incubator Ventures Inc.
Capitalized Development Costs	52,000	Fees accrued to the Company's developer
Total	**483,005**	

Income Taxes
The Company is a limited liability company. However, the Company made a duly filed election to be treated as a corporation under the Internal Revenue Code.

The Company complies with FASB ASC 740 for accounting for uncertainty in income taxes recognized in a company's financial statements, which prescribes a recognition threshold and measurement process for financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. For those benefits to be recognized, a tax position must be more-likely-than-not to be sustained upon examination by taxing authorities. FASB ASC 740 also provides guidance on derecognition, classification, interest and penalties, accounting in interim periods, disclosure and transition. Based on the Company's evaluation, it has been concluded that there are no significant uncertain tax positions requiring recognition in the Company's financial statements. The Company believes that its income tax positions would be sustained on audit and does not anticipate any adjustments that would result in a material change to its financial position.

Revenue Recognition
Starting with inception, the company adapted the provision of ASU 214-09 Revenue from Contracts with Customers ("ASC 606"). ASC 606 provides a five-step model for recognizing revenue from contracts:

- Identify the contract with the customer
- Identify the performance obligations within the contract
- Determine the transaction price
- Allocate the transaction price to the performance obligations
- Recognize revenue when (or as) the performance obligations are satisfied

The Company will earn revenue through the development, rental, license and operation of the Company's underlying real estate asset.

Advertising Expenses
The Company expenses advertising costs as they are incurred.

Organizational Costs
In accordance with FASB ASC 720, organizational costs, including accounting fees, legal fee, and costs of incorporation, are expensed as incurred.

Software Development Costs
The Company applies the principles of ASC 985-20, Software-Costs of Computer Software to be Sold, Leased, or Otherwise Marketed ("ASC 986-20"). ASC 985-20 requires that software development costs be charged to research and development expense until technological feasibility is established. With the Company's current technology, technological feasibility of the underlying software is not established until substantially all product development and testing is complete, which generally includes the development of a working model. Prior to a product's release, if and when the Company believes capitalized costs are not recoverable, the costs capitalized to date will be expensed as part of cost of sales.

Concentration of Credit Risk
The Company maintains its cash with a major financial institution located in the United States of America, which it believes to be credit worthy. The Federal Deposit Insurance Corporation insures balances up to $250,000. At times, the Company may maintain balances in excess of the federally insured limits.

Recent Accounting Pronouncements
In February 2016, FASB issued ASU No. 2016-02, Leases, that requires organizations that lease assets, referred to as "lessees", to recognize on the balance sheet the assets and liabilities for the rights and obligations created by those leases with lease terms of more than 12 months. ASU 2016-02 will also require disclosures to help investors and other financial statement users better understand the amount, timing, and uncertainty of cash flows arising from leases and will include qualitative and quantitative requirements. The new standard for nonpublic entities will be effective for fiscal years beginning after December 15, 2019, and interim periods within fiscal years beginning after December 15, 2020, and early application is permitted. We are currently evaluating the effect that the updated standard will have on our financial statements and related disclosures.

The FASB issues ASUs to amend the authoritative literature in ASC. There have been a number of ASUs to date, including those above, that amend the original text of ASC. Management believes that those issued to date either (i) provide supplemental guidance, (ii) are technical corrections, (iii) are not applicable to us or (iv) are not expected to have a significant impact on our balance sheet.

NOTE 3 – INCOME TAX PROVISION

The Company will be treated as a corporation for US and state income tax purposes. The deadline for filing a tax return has not yet been reached for the Company. Once filed, the tax returns will remain subject to examination by the Internal Revenue Service under the statute of limitations for a period of three years from the date it is filed.

NOTE 4 – COMMITMENTS AND CONTINGENCIES

Legal Matters
Company is not currently involved with and does not know of any pending or threatening litigation against the Company.

NOTE 5 – EQUITY AND DEBT

Membership Interest
The Company has established 40,000 units of Class A Preferred Units and 60,000 units of Class B Common Units.

Class A Preferred Units are non-voting, except that holders of Class A Preferred Units are required to vote on any amendment to the Operating Agreement of the Company that is disproportionately adverse to the holders of Class A Preferred Units relative to other classes of Units or where an amendment is disproportionately adverse to a holder of Class A Preferred Units relative to the rights of other holders of the same Units.

Class B Common Units entitle the holders to one vote per Class B Common Unit on any and all matters upon which the Members have a right to vote under the Operating Agreement.

Contract for Deed
The Company purchased the primary asset at 322 East Adams Street, Springfield, IL 62701 for $400,000 (not including closing costs) on a contract for deed with full equitable interest. The Company remitted $10,000 (not including closing costs) and owes the remaining $390,000 in February 2021.

Investor Loans
In addition to acquiring Class B Common Units, founding investors in the Company have also tenders funds treated as loans payable by the Company. The Company intends to raise up to $50,000 in loans payable, bearing interest at 10 percent per annum, from founders.

NOTE 6 – GOING CONCERN

These financial statements are prepared on a going concern basis. The Company incorporated on January 13, 2020 and is in the process of beginning operations. The Company's ability to continue is dependent upon management's plan to raise additional funds (see Notes 1 and 8) and achieve and sustain profitable operations. The financial statements do not include any adjustments that might be necessary if the Company is not able to continue as a going concern.

NOTE 7 – RELATED PARTY TRANSACTIONS

The Company has engaged in a number of related-party transactions. The Company has received loans of up to $50,000 from Class A Common Unitholders. The Company acquired restaurant equipment from a Class A Common Unitholder for $10,000 and is renting space from the same unitholder for $2,000 for three months. The chief architect of the Company's property, contracted services for fees of approximately $150,000, is a Class A Common Unitholder. The developers receiving fees for the development of the property as well as marketing vendors are also Class A Common Unitholders.

As these transactions are with related parties to the Company, there is no guarantee that the terms, prices and conditions of these transactions are commensurate with arm's length transactions.

NOTE 8 – SUBSEQUENT EVENTS

Anticipated Crowdfunded Offering
The Company plans to offer up to $1,070,000 in a securities offering exempt from registration under Regulation CF. The securities offering intends to offer a minimum of $600,000 and is anticipated to be listed with Nvested. The Regulation CF offering will tender up to 1,070 Class A Preferred Units in the offering. The Company also intends to offer Class A Preferred Units in a securities offering exempt from registration under Regulation D. The number of Class A Preferred Units in the Regulation D offering will be equal to 4,000 units less the number of Preferred Units sold in the Regulation CF offering.

Subsidiary Formation
During 2020, the Company formed an operating entity, Public Market LLC to be wholly owned by the Company. This subsidiary is designed to operate the retail portion of the Company's mixed-use development efforts.

Management's Evaluation
Management has evaluated subsequent events through September 24, 2020, the date the financial statements were available to be issued. Based on this evaluation, no additional material events were identified which require adjustment or disclosure in the financial statements.