

# ENHANCED INVESTMENT RISK DISCLOSURE & COMPLIANCE NOTICE

**Document Version:** 03-20-26 (Integrated Compliance Update)

## 1. ABOUT TRAVALEO AND ISSUER STATUS

Travaleo is a digital real estate investment platform and operating company. Securities are issued directly by Travaleo or through **Special-Purpose Entities (SPEs)** and subsidiaries formed to own and operate specific properties.

- **No Advisory Role:** Travaleo is **not** a registered broker-dealer, investment adviser, or crowdfunding portal.
- **No Recommendations:** Nothing provided on the platform constitutes investment, legal, or tax advice. You are solely responsible for determining suitability.

## 2. CRITICAL DISCLOSURE: ILLIQUIDITY AND EXIT STRATEGY

Investments in private real estate and digital tokens are highly illiquid. You should only invest capital you can afford to hold for the long term or lose entirely.

- **Secondary Market Uncertainty:** There is currently **no active public or private secondary market** (such as an Alternative Trading System or "ATS") for Travaleo tokens. While we may explore future ATS listings, there is **no guarantee** a market will ever develop or remain active.
- **Indefinite Holding:** Be prepared to hold your investment for the full duration of the project, which could span several years.
- **Legal Restrictions:** Tokens are subject to federal and state resale limitations, often requiring a minimum one-year holding period.

## 3. MANDATORY INVESTOR COMPLIANCE

To meet SEC and FinCEN requirements, Travaleo utilizes industry-leading third-party verification:

- **Accreditation:** All accredited investor verifications are handled via [VerifyInvestor.com](https://www.verifyinvestor.com). You must provide documentation (tax returns, CPA letters) directly to them.
- **Identity (KYC/AML):** We use **Sumsb** for identity verification and Anti-Money Laundering screening. This includes biometric "liveness" checks and government ID validation.

## 4. DIGITAL ASSET AND BLOCKCHAIN-SPECIFIC RISKS

- **Cybersecurity & Smart Contracts:** Platforms and smart contracts are subject to coding errors ("bugs") or malicious hacks that could result in the total loss of investment records.
- **Private Key Responsibility:** You are solely responsible for your digital wallet. If you lose your private keys or your wallet is compromised, your tokens are **permanently and irreversibly lost**; Travaleo cannot "reset" your access.
- **Regulatory Evolution:** The legal framework for tokenized real estate is shifting. Future SEC or agency actions could negatively impact token transferability.

## 5. REAL ESTATE OPERATIONAL RISKS

- **Distributions:** Income is not assured and may be reduced or suspended based on property performance.
- **Project Volatility:** Individual properties face construction delays, cost overruns, and occupancy fluctuations.
- **Leverage:** We frequently use debt to acquire properties. While this can increase gains, it also increases the risk of total loss if a lender forecloses.

## **6. DATA ACCURACY AND FORWARD-LOOKING STATEMENTS**

- **Projections:** Targeted returns are estimates, not promises. Actual results often differ due to economic shifts or interest rate changes.
- **Past Performance:** Previous project success is not indicative of future results.

## **7. INVESTOR ACKNOWLEDGMENT**

By investing, you agree that you have reviewed the specific **Private Placement Memorandum (PPM)** or **Offering Circular**. You acknowledge you are capable of bearing a total loss of your principal.