

Art's Café Community Owners, LLC

Organized in New York State as a Limited Liability Company 1/19/2018

5 East Main Street, Springville, New York 14141



OFFERING PROSPECTUS

THESE SECURITIES ARE OFFERED ONLY TO BONA-FIDE RESIDENTS OF THE STATE OF NEW YORK

The Company will offer

- Class A Membership Units at \$250 per unit with a minimum purchase of one unit and no maximum for an individual investor, and
- Bonds with a 4.25% interest rate and minimum investment amount of \$2,000 and no maximum for an individual investor

Total Offering Amount of Membership Units and Bonds	\$ 250,000
Offering Expenses	\$ 0
Net Proceeds to Company	\$ 250,000

The Minimum amount that will be raised is \$50,000

Prospectus Date: 9/10/20 Not to be used after 3/10/20 (Unless offer is extended)

Arts Café Community Owners, LLC will be the Principal Distributor of the Securities

THE ATTORNEY GENERAL OF THE STATE OF NEW YORK HAS NOT PASSED ON OR ENDORSED THE MERITS OF THIS OFFERING. ANY REPRESENTATION TO THE CONTRARY IS UNLAWFUL.
N.Y. # 13051

TABLE OF CONTENTS



Introduction	3
Factors to be Considered By Prospective Purchasers	7
Profits of Promoters	11
Use of Proceeds	13
Capitalization	16
Description of Business	17
Description of Property	21
Officers, Directors and Principals	28
Principal Holders of Securities	29
Description of Securities	30
List of Investors	33
Pending Legal	34
Method of Offering	36
Annual Reports & Books of Records	37
Experts & Advisors	38
Financial Statements	43
Other Materials	44



INTRODUCTION



A collapsed building, rescued by a group of passionate citizens—this is the future home of Art's Café. Three floors, steeped in history, will feature an artisan bakery and café, with a connected arts workshop, performance venue, fully accessible green roof, and artist residences. Art's Café is about good, simple food - fresh produce grown by farmers we know and bread baked in the simplest of ways with the best possible ingredients.

Art's Café is about a great cup of coffee and a great community.



Located at 5 East Main Street in the center of downtown Springville, the café site is an Italianate brick building built in 1880. For over a century, 5 East Main served as the home to many thriving businesses. Sadly, after 20 years of neglect, the roof collapsed into the basement, threatening neighboring buildings and passersby. In 2012, Springville Center for the Arts (SCA), a nonprofit multi-arts center, acquired the building and began to free the property from back taxes, as well as saving the historic facade. Now, with community investment, Art's Cafe is poised to be a bustling community hub during the next era of prosperity in downtown Springville.

The Art's Café project values a triple bottom line: People, Planet and Profit. The operations will cultivate local suppliers and growers, build a culture of service through worker ownership, and increase the quality and quantity of arts programs available in the area. The café will be a thriving home for both food lovers and local growers. We're creating a cultural attraction to benefit all of Main Street.

From the beginning, this project has been propelled by community support. Springville residents rallied early on through an online campaign. Iron Workers Local 6 apprentices erected a steel structure within the old walls. Labor and love were given by carpenters, masons, architects and more. The area's first green roof was installed by a crew of thirty trained volunteers. Through sweat and sacrifice, the structure was rebuilt, floor by floor.



Fittingly, Art’s Café will be owned by the community. In late 2017 the real estate was transferred from Springville Center for the Arts to an LLC set up for the continued redevelopment. A business structure was created that encourages investment in Main Street, allows small businesses to benefit from Historic Tax Credits, and preserves the values and vision of the project. To accomplish this, three affiliated business entities will work together:



Art’s Café Springville, LLC

(“ACS” or “Property Owner”)

The owner of the real estate that invested in renovations,



Art’s Café Management, LLC

(“Tenant”)

A tenant that will operate the café and all spaces,



Art’s Café Community Owners, LLC

(“ACCO” or “Company”)

A company that will provide startup financing to the tenant and previously also invested in the property owner.

Art’s Café Community Owners, LLC (“ACCO”) is a limited liability company incorporated in 2018 to facilitate re-investment in the building and the development of Art’s Café. Comprised of members of the community who care about Springville, investors pooled their resources, raising over \$540,000 to accomplish renovations on the building.

ACCO is now offering two investment options to finance the startup of the cafe space and begin operations, with the goal of raising up to \$250,000:

- Class A Membership Units for community members who want to support the project. Class A Members have voting rights and guide the direction of the project. Class A Members will receive a profit distribution, similar to a dividend, only if the Company makes a profit. The minimum amount of investment is \$250.
- A Convertible Bond which pays 4.25% interest on a minimum investment of \$2,000. A person must own one Class A Membership Unit to purchase the Bond.

Funds will be used to complete leasehold improvements, purchase equipment, pay staff and launch the business.

ACCO will make an equity contribution and a loan to Art's Café Management, LLC (Tenant) which will operate the café business, rent residences and oversee all operations within the space. Profits from this entity are shared between the investors, workers and local arts programs. While the Company hopes to distribute regular dividends based on the profits of this entity, the first priority is a sustainable business that can impact the community for generations and current projections show very little, if any, cash distributions to Class A members in the first five years. Thereafter, returns may be limited as profit is not the driving force for the project.

A loan will also be made by ACCO to Art's Cafe Management, LLC. This loan will provide revenue through principal and interest payments, which will be used, in turn, to pay interest on the bonds from individuals who invested in ACCO through this offering.

Art's Café Management, LLC, the tenant, will be cooperatively operated with multiple stakeholders including a class of worker-owners. Art's Café Management, LLC (Tenant) will be overseen by a Board comprised of appointees representing the arts, café workers and the community investors. The most important return from the project will be to the community in the form of a great, community-owned space, with art workshops, residencies and performances.

Art's Cafe Management plans to open the bakery for take out as soon as financing is available to purchase equipment required for Phase I. It is anticipated that this will occur in August of 2020. The full cafe space seating and performance spaces will open when full financing is received. It is anticipated to occur in the fall of 2020. Plans are subject to change due to CoVid-19 restrictions.

FACTORS TO BE CONSIDERED BY PROSPECTIVE PURCHASERS



THIS PROJECT IS NOT DESIGNED TO RESULT IN ANY SUBSTANTIAL RETURNS FOR INVESTORS BUT INSTEAD IS DESIGNED TO RESULT IN A COMMUNITY CAFÉ AND ART SPACE. THEREFORE, THIS INVESTMENT IS NOT SUITABLE FOR ALL INVESTORS.

INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE COMPANY AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS OF MAKING AN INVESTMENT AND THE RISKS INVOLVED. YOU SHOULD CAREFULLY CONSIDER EACH OF THE FOLLOWING RISKS AND ALL OF THE OTHER INFORMATION CONTAINED IN THIS PROSPECTUS BEFORE DECIDING TO INVEST IN THE SECURITIES.

ANY OF THE FOLLOWING RISKS COULD MATERIALLY ADVERSELY AFFECT THE COMPANY'S BUSINESS, FINANCIAL CONDITION, OR RESULTS OF OPERATIONS. IN SUCH CASE, YOU MAY LOSE ALL OR PART OF YOUR ORIGINAL INVESTMENT. WHILE WE DESCRIBE EACH RISK SEPARATELY, SOME OF THE RISKS ARE INTERRELATED AND CERTAIN RISKS COULD TRIGGER THE APPLICABILITY OF OTHER RISKS DESCRIBED BELOW. YOU SHOULD CONSIDER ALL RISKS INDIVIDUALLY AND TOGETHER IN MAKING YOUR DECISION TO INVEST OR NOT INVEST IN THE SECURITIES OFFERED.

a. The Membership Units and Bonds offered are an unsecured and unfunded liability.

The Membership Units and Bonds offered by ACCO are not secured by any property pledged as collateral and will be subordinate to creditors and secured lenders. ACCO will not establish a sinking fund to provide for the retirement of the offered securities.

The purchasers of the Membership Units and Bonds will be unable to direct or prevent the expenditure of money and the dissipation of the assets of ACCO, except as provided by New York State law and by exercising their vote as a member of ACCO.

b. The Purchase of the Membership Units and Bonds offered involves a high degree of risk.

Investing in the Membership Units and Bonds being offered by ACCO involves a high degree of risk. Investing in any small business involves a very high degree of risk and investors should not invest any funds in this offering unless they can afford to lose their entire investment and can hold the securities for an indefinite period of time.

Furthermore, if ACCO were to close, ACCO would first pay its debts and expenses before repaying the par value to holders of Membership Units and Bonds. As unsecured obligations of ACCO, the return of par value of Membership Units and Bonds is of a lower priority of repayment than the secured debt of ACCO, including without limitation the existing and proposed financing from NCB and CFNE. This means that if ACCO determines that it must liquidate its business, other lenders and creditors will be paid in full before any outstanding dividends or premium payments, or any return of Investment Share capital, is paid to you. Consequently, in such an event, investors may receive significantly less than their original investment or nothing at all.

c. Art's Café Community Owners, LLC ("ACCO") will make an investment in a single project and, therefore is not diversified, which increases the risk to your investment.

The money you invest will be used by ACCO to support the development of a single project, Art's Café. If the project fails and Art's Café is unable to operate successfully, there will be no other investments to offset the loss from this project and there will be a substantial risk that you will not receive any returns and could lose your entire investment.

d. ACCO has no history of investing in the food service industry.

ACCO has no prior history in investing in food service industry or making any other kind of investments prior to this project. ACCO was formed solely to facilitate community investment in the development of Art's Café, a community café and art space located at 5 East Main Street in Springville NY. ACCO previously made an equity investment in Art's Café Springville, LLC, (ACS) which owns the building at 5 East Main Street and from such investment will receive tax credits and, if profitable, a cash return. ACCO will make an equity investment in and provide a loan to Art's Café Management, LLC (Tenant) in order for it to purchase equipment and commence operations. ACCO currently has one hundred nineteen (119) Members who have invested five hundred forty-three thousand dollars (\$543,000). Any returns to Investors will be based solely on the ability of Art's Café to earn a profit.

e. This is a "best efforts" offering and we may not be able to raise all funds necessary for the project.

This offering of Membership Units and Bonds is being made on a "best effort" basis, whereby ACCO is only required to use their best efforts to sell the units and bonds and have no firm commitment or obligation from anyone to invest except as stated in this prospectus. As a result, the amount of proceeds raised in this offering may be substantially less than the amount we would need to achieve our objectives. If the amount raised is less than \$50,000 by six months from the date of issuance of this prospectus, inclusive of all loans, bonds and memberships, any membership and bond amounts received will be returned to the investors. If more than \$50,000 is raised, the project will continue but that does not guarantee that the café will open or project will be completed.

f. This is a fixed price offering and the offering price of the units was arbitrarily determined and will not

accurately represent the current value of the assets of ACCO at any particular time; therefore the purchase price you pay may be higher than the value of our assets at the time of your purchase.

The price of Membership Units was arbitrarily set and has no relationship to the current assets of ACCO. This is a fixed price offering, which means that the offering price for membership units is fixed and will not vary based on the underlying value of the Company's assets at any time. ACCO has arbitrarily determined the offering price in its sole discretion. The fixed offering price for each membership unit has not been based on appraisals for any assets we may own nor do we intend to obtain such appraisals or adjust the offering price. Therefore, the fixed offering price will not accurately represent the current value of the Company's assets at any particular time and may be higher or lower than the actual value of the Company's assets at such time. Similarly, the amount you may receive upon redemption of your units, will be no greater than, and may be less than, the amount you paid for the Membership Units regardless of any increase in the underlying value of any assets the Company owns.

g. You will experience dilution in the net tangible book value of your units equal to offering costs associated with your shares.

Because ACCO has already incurred expenses in developing the project, which will be paid out of the Members' investments in ACCO, you will incur immediate dilution equal to the expenses already incurred. This means that the amount invested in the café project will be less than the investors paid for their Member Units.

h. During the first five years of the investment, there are no projected cash distributions.

Financial projections for the first five years indicate very little dividend being distributed to Class A Members. Loans made for the project take precedence over payments to Bond holders.

i. Changes in global, national, regional or local economic, demographic, political, real estate or capital market conditions may adversely affect our results of operations and returns to investors.

In addition to the risks of the specific project, ACCO is subject to risks generally incident to the ownership of property including changes in global, national, regional or local economic, demographic, political, real estate, or capital market conditions and other factors particular to the locations of the respective property investments. The Company is unable to predict future changes in these market conditions. An economic downturn or rise in interest rates could make it more difficult for the Company or affiliated businesses to lease properties or dispose of them. In addition, rising interest rates could also make alternative interest bearing and other investments more attractive and, therefore, potentially lower the relative value of the Company's investment.

j. Adverse economic conditions in the regions where our assets are located may adversely affect our ability to complete and/or continue the project.

The success of operations depends substantially on the Tenant's ability to manage the café. Adverse conditions in the region may affect Art's Café's ability to succeed. Specifically, Art's Café may not be able to stay in business and the ability of ACCO to provide any distributions and/or return any investment is dependent upon the Tenant's ability to operate at a profit.

k. Uninsured losses or premiums for insurance coverage relating to property may adversely affect our operating results.

Contracts and leases for the project require the attempt to adequately insure all of the properties against casualty losses. There are types of losses, generally catastrophic in nature, such as losses due to wars, acts of terrorism, earthquakes, floods, hurricanes, pollution or environmental matters that are uninsurable or not economically insurable, or may be insured subject to limitations, such as large deductibles or co-payments. In addition, Art's Café Management (Tenant) could be held liable for indemnifying possible victims of an accident. There can be no assurance that funding will be available to the Company for liability payments to accident victims.

l. We depend on the Advisor and its key personnel; if any of such key personnel were to cease employment with the Advisor or its affiliates, our business could suffer.

Our ability to make distributions, achieve our investment objectives and return any investment is dependent upon the performance of the LLC Manager, E. Seth Wochensky. The Company currently does not have, nor do we expect to obtain, key employee life insurance on any of the key personnel. If ACCO were to lose the benefit of the experience, efforts and abilities of key personnel or a skilled advisor through their resignation, retirement, or other reasons, our operating results could suffer.

m. There is no and there will be no public market for the Membership Units or Bonds and any interest payable will be subject to the ACCO's ability to pay.

There is no established market for Membership Units or Bonds, and ACCO does not anticipate that one will develop in the future. Potential Investors may not be able to liquidate their investment in the event of an emergency or for any reason. The Subscription Agreement, the Operating Agreement of ACCO, and applicable securities laws impose significant restrictions on the transfer of the Membership Units and Bonds. Accordingly, prospective Investors who are not in a position to hold their Membership Units or Bonds for the period of time set forth below and in the Subscription Agreement should not invest.

The offered Membership Units and Bonds will not be transferable to another person or entity, except with approval from ACCO, in its sole discretion. An Owner who purchases Membership Units or Bonds must hold them for a significant period of time. As there is no and there will be no public market for the Membership Units or Bonds, an Owner must be prepared to hold the Membership Units and Bonds until they are redeemed by the ACCO.

ACCO will pay the four and one quarter percent (4.25%) interest rate only out of legally available funds, which will be those funds remaining after the general debts and obligations of ACCO are paid each year (including without limitation any regularly scheduled payments due on bank debt owed). In the event that unexpected costs are incurred, or commodity, labor or other costs rise to unanticipated levels, it is possible that ACCO will be unable to pay dividends in one or more years.

n. Operating and related covenants in our loan documents could prevent ACCO from making interest payments that otherwise would be payable or redeeming shares.

If ACCO borrows money from a bank, such loans would most likely require ACCO to maintain certain debt-to-net-worth and debt-service-coverage ratios at all times and may impose other conditions on ACCO. There may be years in which ACCO has funds available to make dividends available to holders of Membership Units and Bonds but making those interest payments would result in a violation of those loan terms. In such years, ACCO would be unable to make interest payments. ACCO may also be unable to redeem Membership Units and Bonds when requested by a subscriber because of conditions of these loan documents.

o. ACCO could become a party to legal proceedings resulting in significant losses to ACCO.

Although ACCO is not currently involved in any litigation that could materially impact ACCO or its operating results, from time to time, ACCO may be a party to legal proceedings, including matters involving personnel and employment issues, personal injury, intellectual property and other proceedings arising in the ordinary course of business. If such legal proceedings arise in the future, ACCO's results could be materially impacted by the decisions and expenses related to such proceedings.

p. Changes in our tax rate or other tax-related determinations could adversely affect results of ACCO.

ACCO's future effective tax rates could be adversely affected by changes in the valuation of our deferred tax assets and liabilities, or by changes in tax laws or interpretations thereof. In addition, we are subject to periodic audits and examinations by the Internal Revenue Service ("IRS") and other state and local taxing authorities. Our results could be materially impacted by the determinations and expenses related to proceedings by the IRS and other state and local taxing authorities.

Risk Factors Related to the Operation of a café.

ACCO is making an investment in the operation of Art's Café, a restaurant, and its investment could be at risk because of the following factors faced by a business in the food service industry and its results would be adversely affected by any issues with the safety of foods sold at retail locations.

q. Art's Café is a newly formed business in the development stage.

There is no prior sales history. There is no assurance that Art's Café will generate expected revenues and/or that its operations will be profitable. Should Art's Café experience a prolonged period without profit, its ability to remain in business could be jeopardized. While the Art's Café project was initiated and is supported by Springville Center for the Arts, Inc., a nonprofit organization with a long history, it is a separate and distinct entity.

r. Art's Café will face competition from other similar businesses in Springville.

Art's Café will face competition from other food service businesses in the Village of Springville. Many other businesses in the area serve coffee, sandwiches, soups and baked goods. Any return on investment is dependent on the success of the food service operation. The Company will differentiate itself by focusing on high-quality, local foods, a welcoming atmosphere, and integration with arts programming. There is always the possibility that another competitive establishment could locate in or near to the Village of Springville. The presence of new competition could negatively impact the Company's ability to achieve profitable operations. In general, food service of the type being offered by Art's Café is a highly competitive marketplace.

s. Issues relating to the COVID-19 Pandemic will materially affect the operations of the Cooperative.

In December 2019, COVID-19 was identified in Wuhan, China. In March 2020, the World Health Organization declared COVID-19 a global pandemic as a result of the further spread of the virus into all regions of the world, including those regions where the Cooperative's primary operations occur.

COVID-19 has impacted consumer traffic patterns in retail sales throughout the country, based on the perceived public health risk and government imposed quarantines and restrictions of public gatherings and commercial activity to contain spread of the virus. In response to COVID-19, Art's Café will have to modify operations as required under New York Law and will have to implement various safety measures to protect both its members and employees, all of which will impact the ability of Art's Café to make a profit.

ACCO cannot predict whether, for how long, or the extent to which the outbreak may continue and changes in the situation could disrupt our supply chain, operations, sales, and/or product shipments and home installations. A prolonged outbreak could negatively impact our vendors and customers, cause interruptions to our operations, including the reduction of store operating hours, temporary store closures and reduced store traffic, and adversely affect our results of operations.

More generally, a widespread health crisis could continue to adversely affect the U.S. economy, resulting in an economic downturn that could decrease consumer confidence and affect demand for our products and therefore impact our results, including our business and financial outlook. Any adverse impact on our results of operations, business or financial outlook could be material.

t. Changes in overall economic conditions may adversely impact results.

ACCO's results are directly dependent on the success of Art's Café, which in turn may be materially impacted by changes in overall economic conditions that impact consumer confidence and spending, including discretionary spending. Future economic conditions affecting disposable consumer income such as employment levels, business conditions, changes in

housing market conditions, the availability of credit, interest rates, tax rates, fuel and energy costs, the impact of natural disasters or acts of terrorism, and other matters could reduce consumer spending or cause consumers to shift their spending to lower-priced competitors.

u. Weather events, natural disasters or health epidemics may adversely impact results.

Weather events and natural disasters such as earthquakes, wildfires, drought, hurricanes and floods and health epidemics that affect suppliers and other retail partners could restrict the supply of products and severely impact the business of Art's Cafe. In addition, such events may cause customers to avoid public gathering places or otherwise change their shopping habits, whether temporarily or permanently, or may cause other issues relating to production, product delivery or our ability to appropriately staff our retail locations.

v. Compliance with government regulations may affect ACCO's results or disruption with product supply.

ACCO is subject to various federal, state and local laws, regulations and administrative practices affecting our business, and we must comply with provisions regulating health and sanitation standards, food labeling, equal employment, minimum wages, and licensing for the sale of food and alcoholic beverages. A new store opening could be delayed or prevented or our existing stores could be impacted by difficulties or failures in our ability to obtain or maintain required approvals or licenses. Changes in existing laws or implementation of new laws, regulations and practices could have a significant impact on our business.

The USDA's Organic Rule facilitates interstate commerce and the marketing of organically produced food and provides assurance to our customers that such products meet consistent, uniform standards. Compliance with this rule could pose a significant burden on some of our suppliers, which may cause a disruption in some of our product offerings.

We cannot predict the nature of future laws, regulations, interpretations or applications, or determine what effect either additional government regulations or administrative orders, when and if promulgated, or disparate federal, state and local regulatory schemes would have on our business in the future. They could, however, require the reformulation of certain products to meet new standards, the recall or discontinuance of certain products not able to be reformulated, additional recordkeeping, expanded documentation of the properties of certain products, expanded or different labeling and/or scientific substantiation. Any or all of such requirements could have an adverse effect on our operating results.

w. Issues relating to product supply and industry relationships may adversely impact our inventory and results.

There is no assurance that quality locally-sourced, natural and organic products will be available to meet our needs. If other supermarkets significantly increase their natural and organic product offerings, if new laws require the reformulation of certain products to meet more stringent standards, or if natural disasters or other catastrophic events occur, the supply of these products may be constrained.



PROFITS OF PROMOTERS

NO PROFIT TO PROMOTERS



The promoters of this offering are the current Members of ACCO. The promoters shall not receive any direct or indirect compensation for the sale of Membership Units in this offering. As of the date of this Prospectus, the promoters have not entered into any transaction, or proposed to enter into any transaction, with the Company. Future personal dealings between promoters and the LLC are not prohibited, but require the approval of the Members of ACCO. The promoters are not expected to receive any profit at the expense of the investors. Any compensation received by Promoters of the offering would be in a Promoter's capacity as an employee or contractor of the Company and not for their promotion of the offering.



USE OF PROCEEDS



The proceeds of the sale of Class A Membership and Bonds will be used to develop Art's Café into an operational business. The Café will offer fresh, local foods, high quality coffee, indoor seating, and an accessible green roof. Connected spaces include artist residences, a workshop for arts programs, a library/lounge, and a small stage. The Company will invest in Art's Café Management, LLC (The Tenant) to operate the business. Art's Cafe Management (Tenant) has signed a five-year lease agreement for the use of the property.

Art's Café Community Owners, LLC will make both an equity investment and a loan to Art's Café Management, LLC. This loan will be issued at 4.25% per annum payable annually with the principal due at the end of a ten-year term. The interest and principal may be paid in advance without penalty.

The exact amount of the loan versus the equity is subject to the outcomes of the offering. The Company seeks to minimize the amount of loans made but doing so is dependent on the level of Class A Memberships that are sold.

To fully operate the cafe, the Tenant anticipates receiving loans from several mission-based lenders and has applied to both the Local Enterprise Assistance Fund (LEAF) and the Cullen Foundation for financing. At the time of writing the loan from LEAF to the Tenant has been approved for \$76,500 and is pending a closing process. This loan means the project may move faster but over time, pending the outcome of this offering, the LEAF funding will be paid off with funds from ACCO.

Art's Cafe Community Owners, LLC will invest as much as possible into Art's Cafe Management so as to eliminate more expensive outside funding. The exact amounts are dependent on the outcomes of the offering.

It is estimated that, if fully funded, the proceeds will be used as follows:

ACCO, LLC

PROJECTED SOURCES & USES OF CASH



SOURCES OF CASH

ACCO, LLC Equity Contributions (Class A)	\$50,000
ACCO, LLC loan from Bond (anticipated)	\$200,000

TOTAL SOURCES OF CASH	\$250,000
-----------------------	-----------

USES OF CASH

Loan to Art's Cafe Management, LLC (current)	\$250,000
---	------------------

TOTAL USES OF CASH	\$250,000
--------------------	-----------

Proceeds of the offering will be held in trust in an account at M&T Bank until used for the purposes set forth on page 15. After reaching the minimum amount, the invested monies will be made available for release to the Company for the purposes set forth in this Prospectus.

If more than \$50,000 in Class A Membership Units are sold, the additional amounts will be used to buy out the bond holders or may be used for additional soft costs such as marketing and working capital.

If only the minimum amount is raised, the Company will accordingly limit the amount of investment in Art's Café Management, LLC and that company will adjust their budget to reduce investment in the equipment. At this point, with much of the financing already in place, the project will go operational but the amount of financing available impacts the quality and efficiency of equipment, interior finishing and other systems related to the café. Depending on the exact amount raised, certain costs such as AV systems, workshops equipment, and bakery production equipment may have to be cut.

The management of the related entity, Art's Café Management, LLC (Tenant), will have significant flexibility in applying the net proceeds of this Offering to maximize the impact of the funding. In return for continued investment, ACCO will hold three seats on the Board of Art's Café Management.

If insufficient funds are raised to complete this offering, or if the offering is not completed for any other reason, you may receive back only part of your investment, or possibly lose your full investment.



CAPITALIZATION



Securities	Current	After This Offering Minimum/Maximum
Class A Units	\$112,250	\$116,250 / \$166,250
Bonds	\$82,250	\$128,250 / \$278,250
Class C Units	\$372,000	\$372,000 / 372,000
Total	\$566,500	\$616,500 / \$816,500

Fixed Debt, Interest Obligations & Leasehold Commitments	Amount
Unsecured Bonds	\$82,250
Total	\$82,250

DESCRIPTION OF BUSINESS



Art’s Cafe Community Owners, LLC (“ACCO”) was organized on January 19, 2018 as a Limited Liability Company which is treated like a partnership for taxation purposes. The mailing address of the Company is 5 East Main Street, Springville, New York, 14141. The sole purpose of ACCO is to allow the community to invest in the Art’s Café project in Springville, New York as described above by purchasing

1

*Class A member Units
(Community Investor Units)*

and/or

2

Convertible Bonds

ACCO previously offered a Class C Membership but those units are no longer available.

ACCO is a manager-managed LLC with E. Seth Wochensky currently serving as LLC Manager. The Operating Agreement [Exhibit D] spells out the procedures for the selection of the Manager and Manager authority. Only Class A Members have voting rights.

ACCO will invest amounts received from its Members, less expenses, to make investments in a related businesses which will operate Art’s Café. The managing partner or managing entity will not charge any part of its overhead, entertainment, administrative or general operating expenses, or salaries or expense accounts of its officers to the issuer except to the extent specifically disclosed in the offering literature. See the diagram that follows.

Art's Café Management, LLC

Tenant



Art's Café Management, LLC (Tenant) will lease the property and manage the entire facility including the café operations. Art's Café Management, LLC (Tenant) is governed by an Operating Agreement with SCA X, Inc., ACCO, and a class of worker-owners as partners. ACCO will make a capital contribution that largely reflects the amount of Class A investment in ACCO. ACCO will also make a loan to the Tenant that reflects the amount of Bond received. In profitable years, Art's Café Management, LLC (Tenant) will distribute profits to owners.

The café will be a counter-service food establishment that serves high-quality, locally sourced products. There are four pillars to the food service operation: Soup, Sandwich, Bread and Beverage. Offerings will include scratch-made soups; site-made and naturally fermented bread products such as bagels, sourdough breads and croissants; specialty sandwiches on our breads; coffee and tea drinks; beer and wine in the evening hours.



Several marketing surveys were conducted to better understand consumer demand and different market segments. Art's Café is focused on a higher quality offering desired but not currently available in the surrounding marketplace. In a blind taste test, Art's Sourdough Bread beat out a nationally-awarded regional bakery.

The café will host concerts and other live events such as open mic or "improv" comedy on a small but well equipped stage. The café will promote the usage of the space for community events and meetings. The café will also program workshops in the arts and fine crafts in the lower level of the facility and exhibit work for sale within the café.

Art's Café Management, LLC is the master tenant and will rent and manage two residential apartments as well as the workshop. The anticipated annual rents collected is \$40,200.

It is anticipated that profits (surplus) from Art's Café Management, LLC (Tenant) will be distributed 10% to SCA X, 50% to a class of LLC Membership available to workers (Worker-Owners), and 40% to ACCO. If the Company is not making a significant investment in arts programs as will be defined in the Operating Agreement, then the surplus will be distributed

50% to SCA X, 25% to Worker-Owners, and 25% to ACCO. Due to this arrangement, investors in the Company may not see a quick return, even if the café is a financial success.

It is anticipated that Art's Café Management, LLC (Tenant) will be governed by a nine-person Board of Managers with three representatives from SCA X, Inc., three representatives from ACCO and three representatives elected from the workers or employees of Art's Café. The Board of Managers will approve the selection of a management team to run the café. The Board of Managers will meet annually (at a minimum) to present information on the status of the company to stakeholders and approve budgets and policy.

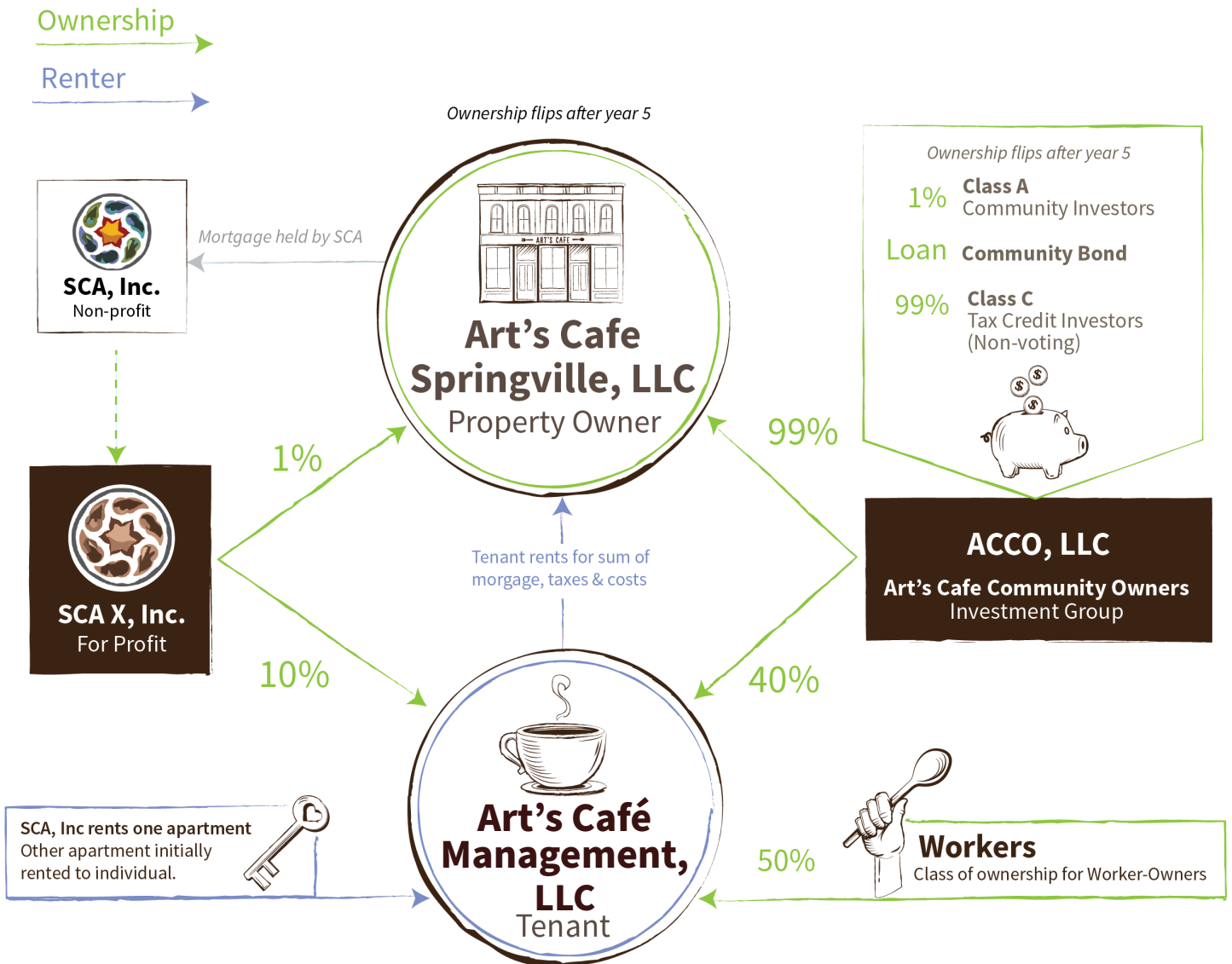


The structure, while complicated, is designed to:

- Ensure compliance with the IRS tax credit Safe Harbor Rev. Proc. 2014-12
- Protect the charitable status of the non-profit arts center
- Allow for a multitude of investors at a small scale
- Allow small businesses and individuals to access the value in the Historic Tax Credits
- Allow for worker ownership
- Ensure the continued mission of the business to have a positive community impact
- Ensure the long-term viability and impact of the business and that the property or business is not closed to extract short-term profits by any one interest
- Prevent a small group of investors or interests from changing the goals of the business
- Allow for the democratic participation of a variety of interests
- Build true community ownership

ACCO previously invested in the building owner, Art's Cafe Springville, LLC and was admitted as an owner to receive 99% of distributions.

ANTICIPATED OWNERSHIP STRUCTURE



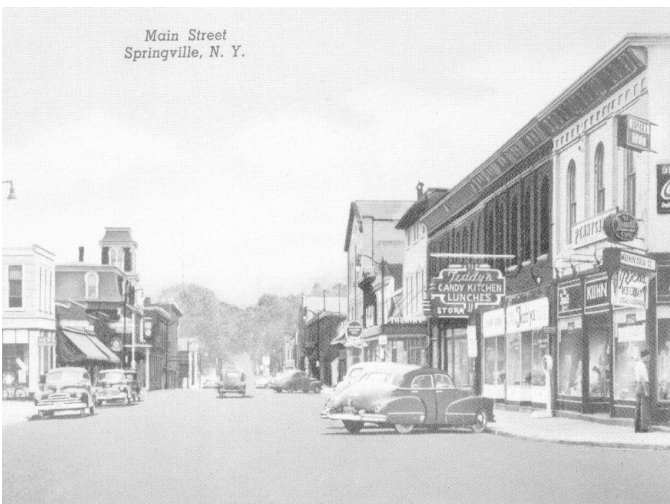
DESCRIPTION OF PROPERTY



The Building located at 5 East Main Street is an important structure in the East Main-Mechanic Street Historic District because of its architectural and historic significance. The Building anchors the area near the southeast corner of Main and Buffalo Streets at the western end of the East Main–Mechanic Streets Historic District. It is historically significant for the businesses it housed, which were of long duration and very prominent in the minds of village residents during the twentieth century. It is architecturally significant as a component of a block of buildings that are characteristic of the commercial architecture developed during Springville’s boom years.

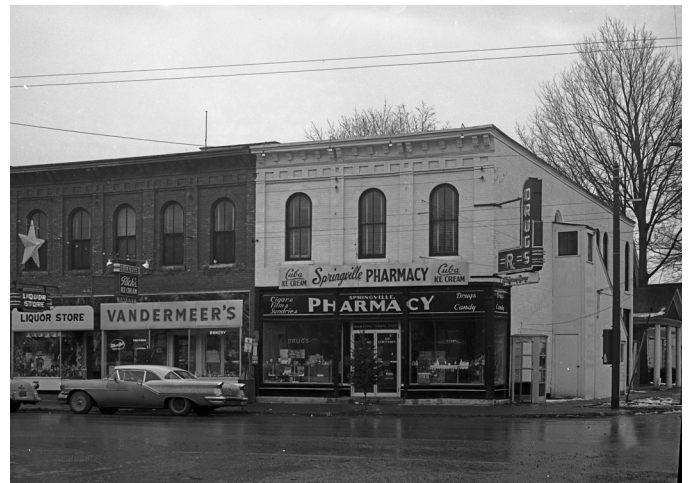
Historical Significance of the Building

Five East Main is within a block of buildings that were constructed to replace those destroyed in one of Springville’s major fires when Hall’s Opera House burned on September 5, 1879. Its two-story height and brick construction are characteristic of the commercial buildings erected at this time when the village was beginning to grow rapidly. Thanks to the coming of the railroads to the town, its population nearly doubled between 1880 and 1896, and there was a great need for buildings to house the many shops, factories, and offices that served this growing population.



The first establishments to occupy 5 East Main Street were a grocer in the western store and a hardware dealer in the eastern store. By 1892, a confectioner was located in the eastern half, and by 1904, H.B. Weir & Co. was selling boots and shoes where the grocer had been. C.M. Frank ran a bakery and the confectionary shop; the 1912 Sanborn Fire Insurance Map shows an oven in the basement. By at least 1924, the Odd Fellows were occupying a hall on

the second floor, and in this hall in 1933 the Springville Rotary Club was organized. The 1948 Sanborn map shows the “Candy Kitchen” occupying the entire building. This was Teddy’s Candy Kitchen, a much-loved local restaurant and soda shop operated by Ted Sikaras, an immigrant from Greece. This local landmark was a social center for the community for several decades, and is described by longtime resident, Herbert Mosher: “The place was called Ted’s Candy Kitchen. It served sodas, sundaes, sandwiches as well as candy and ice cream cones. It had a great soda fountain. It was operated by Ted Sikaras, who made his own candy and ice cream in the back rooms. Every teenager in Springville from the 1930s knew Ted’s. After school, teenagers flocked to the booths in the restaurant for Cokes® and to play the nickel jukebox.” The bakery and restaurant business was continued by the VanDermeer Bakery and Delicatessen in 1954, and later by Juul’s Bakery, started by one of the VanDermeer’s employees. On the second floor, Drs. Frederick and Jack Schweizer maintained their dental offices for several decades, surviving a fire in October of 1955 that did \$200,000 worth of damage to the easternmost building in what was then called the Kunn and Engel Block.



Architectural Description of Building

Built in 1880, this two-story, flat-roofed brick building is the center structure of a three building block that shares an Italianate façade, which the National Register nomination describes as “especially notable for the exuberant design of its second-story façade, which features brick piers between bays, round-arched window openings, recessed square brick panels, and a prominent bracketed metal cornice.”

The building is roughly rectangular in plan, five bays wide, 70 feet in depth, and the common walls it shares with its neighbors contain two chimneys each. The first floor storefront has been modified more than once, and the current version was rebuilt based on a photograph

from the 1800's. No original elements remained at the start of the project but great care was taken to return the building to its original design through replicated cast iron posts and wood-framed large scale windows. The second floor of the main façade is intact, with a cast iron lintel above the storefront, stone window sills, brick pilasters separating the five round-headed window openings topped with brick corbels and squares, and surmounted by a metal cornice featuring small modillions set between pairs of larger modillions placed above the pilasters. The original sashes remain in all five windows, and the masonry and cornice were recently restored.

The rear elevation faces an alley that runs parallel to Main Street. A recent acquisition of several feet of property will allow for the construction of an ADA compliant rear entrance. The rear wall's structural integrity failed due to years of water penetration and after a delicate dismantling of the wall, it was rebuilt with the same exterior brick and windows but now supported by a steel structure. The second story retains its original fenestration, five segmentally arched window openings, with a two-over-two sash. The first story has undergone numerous changes over the years but now approximates what is thought to be the original with four new windows and a single door.



At the start of the project, the flat roof had completely failed and had an enormous hole, through which the elements had been entering the building for years. Consequently, all the interior structure – roof, first and second floors – had deteriorated to the point of collapse. Springville Center for the Arts acquired the property and the building was abated and debris removed. The original dry-stacked stone basement walls were left intact while the basement level was lowered several feet, new footings poured and an elevator shaft constructed. From that new foundation, a heavy-duty steel structure was built within the existing common walls. The subfloor and stairs were installed at each level and the roof rebuilt. The roof now features several elevation shifts to reduce visibility of the elevator shaft and penthouse which allows access to a green roof. Installed in 2015, the roof is now fairly mature and provides a major amenity to the building. Raised beds, extensive areas, garden like spaces with shrubs and a small deck area link the food served below to ingredients growing above. The penthouse, complete with Italianate design that echoes the street-level facade, provides year-round viewing of the roof and Main Street beyond.



Construction Progress

At the end of 2017 the property was transferred to Art's Cafe Springville, LLC for the price of \$600,000 with a mortgage held by Springville Center for the Arts. Structured so the project would be compliant with tax credit rules, the

mortgage note requires a monthly payment over 30 years with 3% interest. Initial early payments reduced the current mortgage principal down to \$516,362.

The Company was formed in 2018 with the intent to invest in completing construction and financing the startup of the cafe. Under a previously issued prospectus, Class C Membership was offered which resulted primarily in the distribution of Historic Tax Credits. This class of membership raised \$372,000. Additionally funds were invested in Class A and the Bond.

Utilizing investment from this previous round of funding, major construction was completed over the course of 2019 with the internal framing, mechanicals and wall treatments completed. The building received a certificate of occupancy in December of 2019.



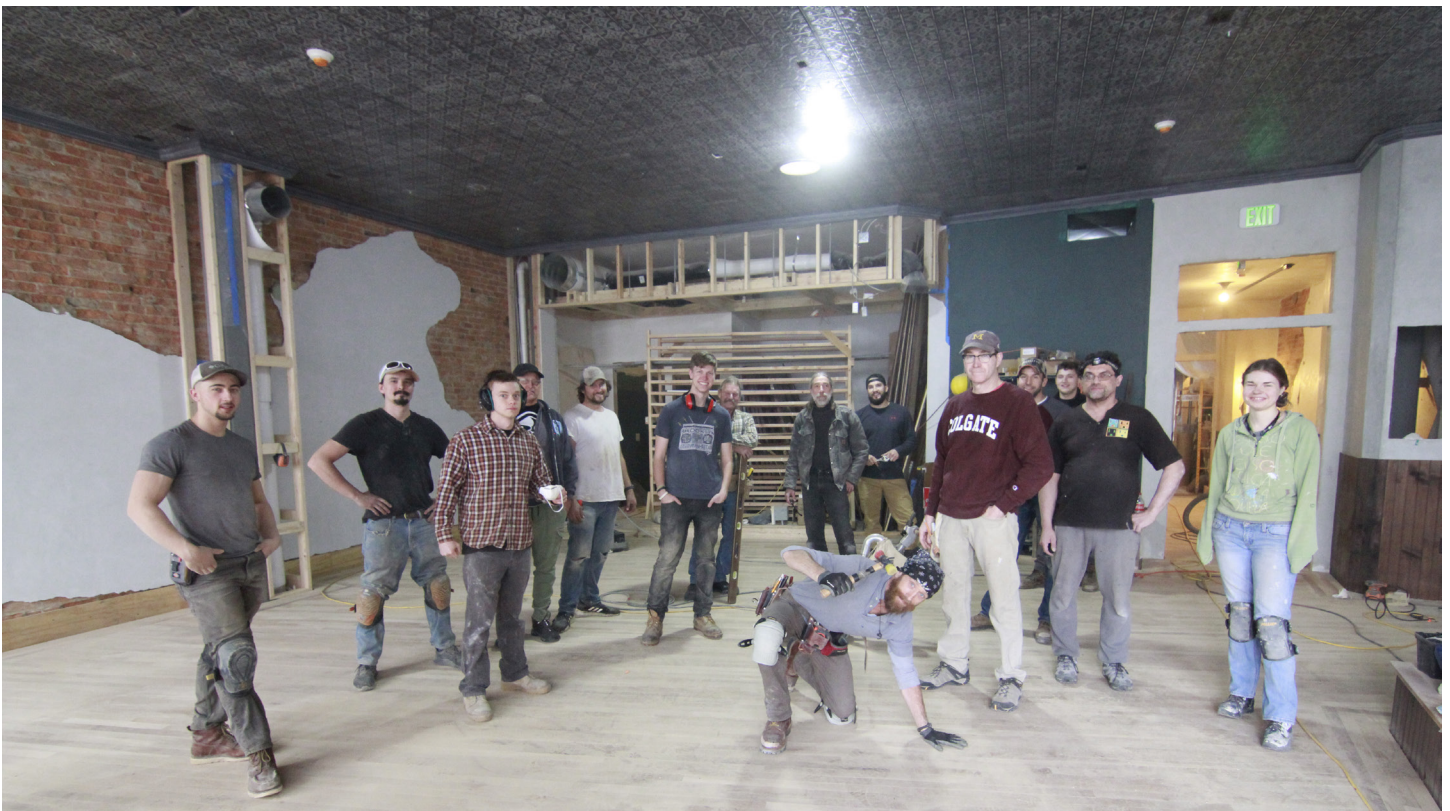
Design Concept

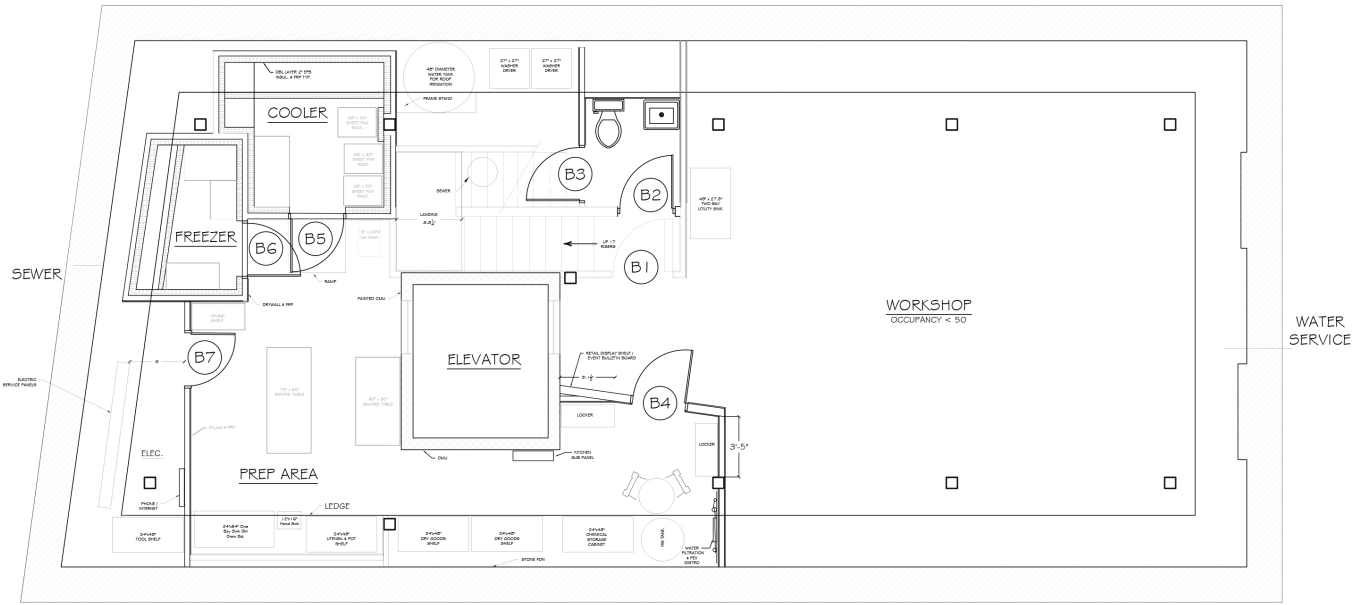
A multi-use redevelopment with an arts twist, 5 East Main Street is designed to integrate café visitors, visiting artists, art students and Main Street through connected spaces. The goal is to create dynamic intersecting traffic that leads to a vibrant and thriving streetscape as well as a sustainable business.

The first floor houses the main café space where a semi-open kitchen concept welcomes visitors in a casual way. A small stage looks out over fifty seats in the main dining area. A wide corridor leads to the quieter library/lounge and a back entrance. The lower level holds an arts workshop complete with pottery wheels and other fine craft tools. The workshop can double as a private event space for fifty. Workshops in culinary arts and gardening are envisioned as part of the café and roof. Behind the workshop, accessible by stairs or locked elevator, is kitchen prep space with coolers, prep sink and storage.

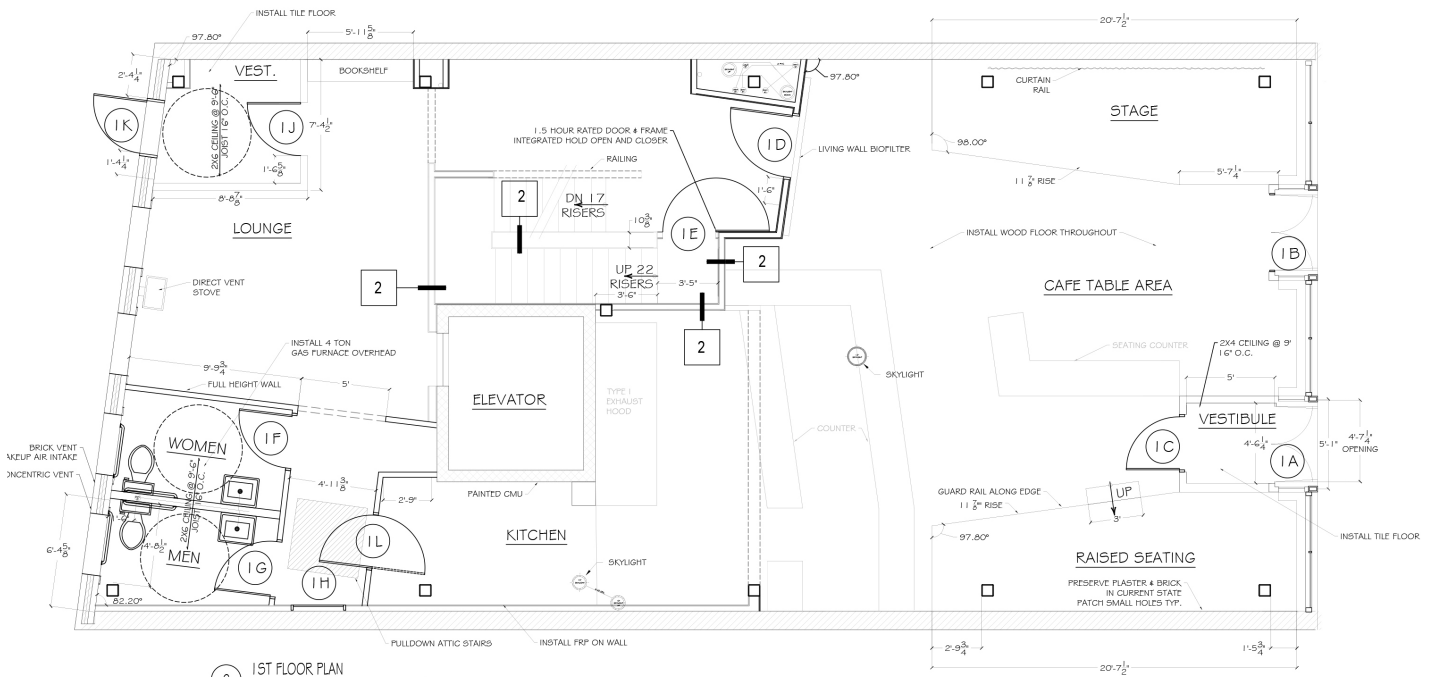
The second floor is divided into two apartments that visually blend the tattered plaster and brick walls with exposed contemporary steel structural elements. The front apartment has tall ceilings and a wide open floor plan that captures light from the five rounded windows looking out over Main Street. The rear apartment is cozier with a small kitchenette, separate rooms and a common space perfect for touring musicians or groups of theater performers. Initially, the apartments will be rented out for income and Springville Center for the Arts will rent the workshop space for programs. The elevator and stairs both open into a small, light-filled penthouse where the entire surrounding roof is covered in greenery.

Remaining leasehold improvements include equipment installation, installation of cuboards, counters and shelves and other details related to the build out of the cafe. Major equipment purchases include the oven (\$27,000), mixer and espressor machine.

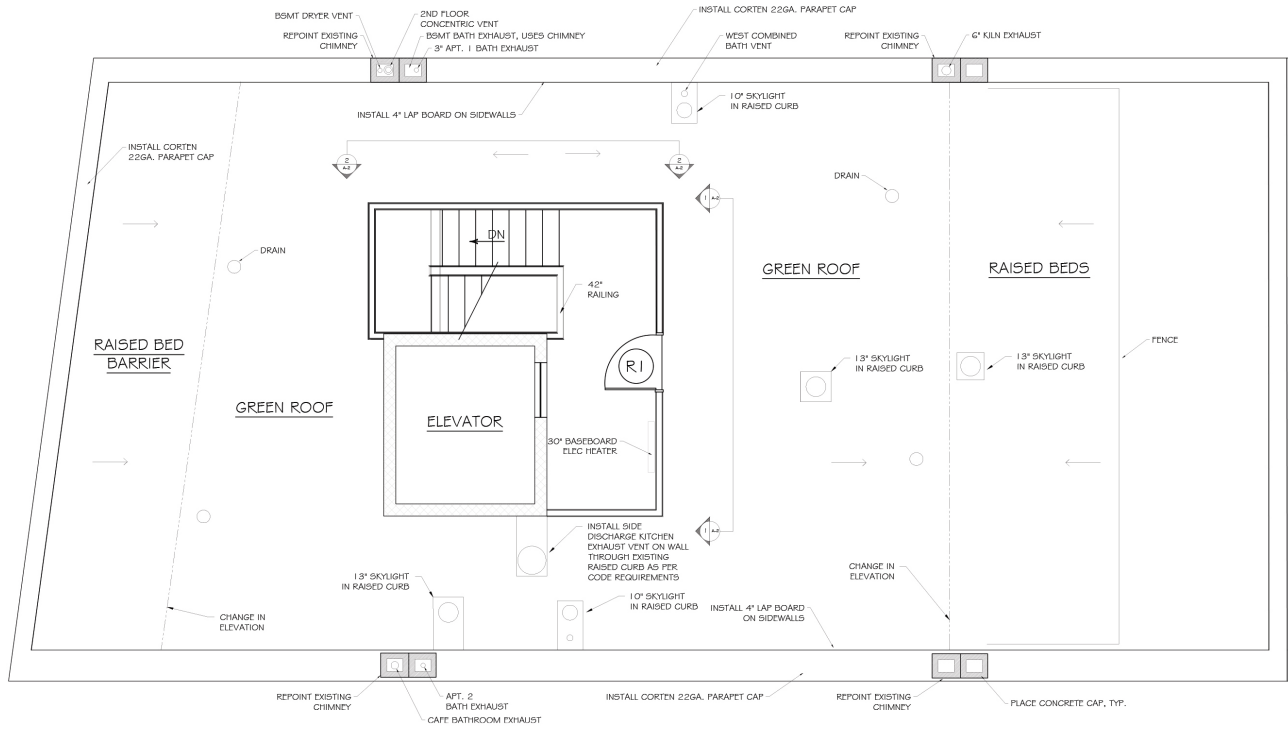




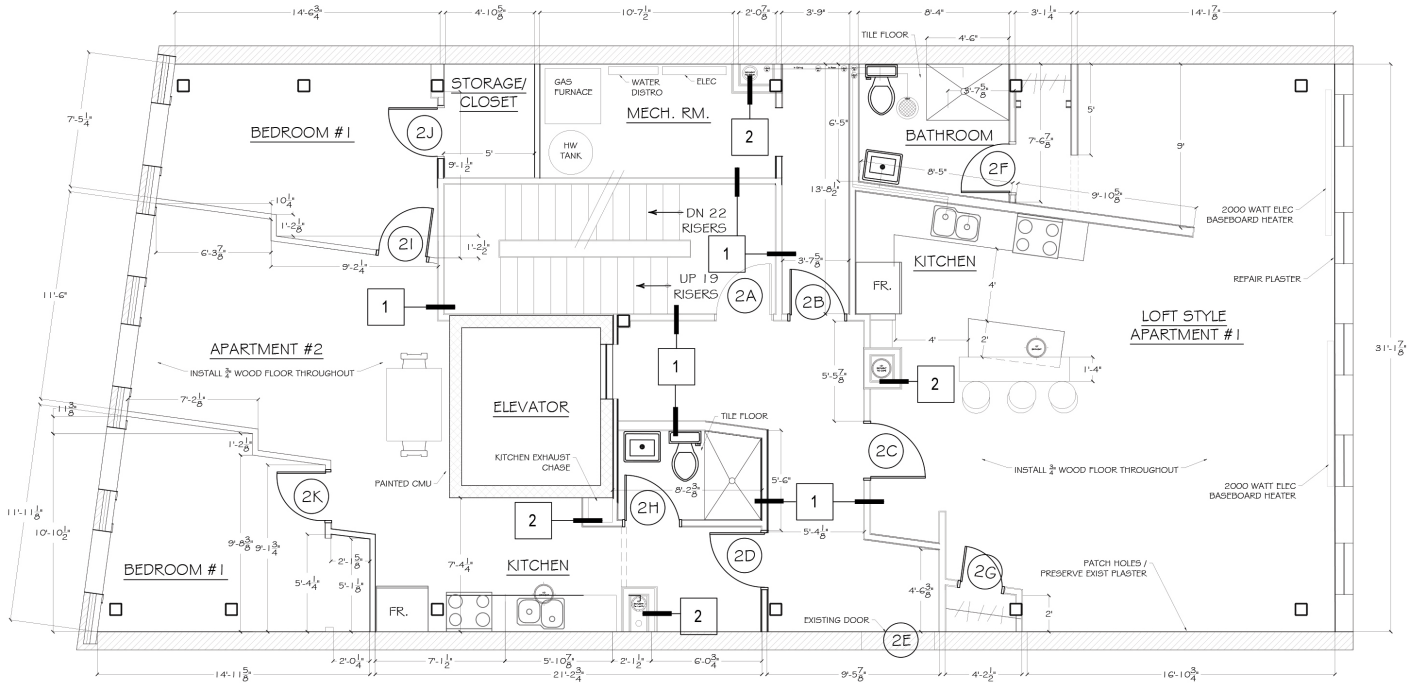
1 BASEMENT FLOOR PLAN
SCALE: 1/8"=1'-0"



2 1ST FLOOR PLAN
SCALE: 1/8"=1'-0"



1 ROOF PENTHOUSE FLOOR PLAN
SCALE: 1/4"=1'-0"



2 2nd FLOOR PLAN
SCALE: 1/4"=1'-0"

OFFICERS, DIRECTORS AND PRINCIPALS



ACCO, LLC is managed by a single manager elected by the Members. Currently the LLC Manager is E. Seth Wochensky. The Membership may replace the manager by vote.



Seth Wochensky

Seth serves as Executive Director of Springville Center for the Arts, a rural multi-arts organization now recognized as one of the most active arts organizations in the region. Proving that art can (and frankly should) thrive anywhere, Springville Center for the Arts works to engage all residents in direct participation in the arts. As Director, he recently oversaw the implementation of over \$1 million in capital projects, including seven simultaneous state grants from different agencies. Those projects encompassed such challenges as collapsed roofs, major asbestos remediation, stringent SHPO requirements, volunteer components, historic tax credits, and limited bridge financing. In addition to arts administration he is an artist in his own right, having appeared on stage, exhibited artwork, completed large scale installations and produced several CD's. He previously produced several award-winning short films and has production credits including MTV, The Travel Channel, ABC, and The History Channel. He is the Vice-President of the New York Multi-Arts Center Consortium and a grant panelist for New York State Council on the Arts. He is an avid organic gardener. (30 S. Central Ave, Springville, NY)

Note: Seth Wochensky is the Executive Director of Springville Center for the Arts which holds a mortgage on the property. Springville Center for the Arts, through a subsidiary, SCA X Inc., will also be the Managing Member of the property owner, Art's Cafe Springville, LLC. He will also be a member of the Board of Managers of Art's Cafe Management, LLC (Tenant).

PRINCIPAL HOLDERS OF SECURITIES



As defined by law, the following are considered principal holders of securities as they own more than 10% of a category of offering

Class A: \$112,250 Total Invested.

No investors owns more than 10% of this class

Bond: \$82,250 Total Invested.

Christine Greene - \$15,000

Harold Blesy - \$10,000

Class C: \$372,000 Total Invested.

No investors owns more than 10% of this class



DESCRIPTION OF SECURITIES



ACCO, LLC is offering two securities: Class A Units and Bonds.

- Class A Membership Units are for community members who want to support the project and maximize the social return on their investment. An Investor will be required to purchase at least one Class A Unit at \$250.00 to become a Class A Member of ACCO, LLC. A Class A Member may buy additional Class A Units for \$250.00 per Unit. Class A Members have full voting rights.
- Class A Members may purchase a Convertible Bond Note which pays 4.25% interest on a minimum investment of \$2,000, Investments may be increased in \$500 increments.
- An investor may purchase a blend of the securities options subject to the rules of the Operating Agreement.
- All of the securities offered are unsecured
- All proceeds will be invested in Art's Cafe Management, LLC and will not result in any leasehold or fee ownership by ACCO, LLC.

CLASS A UNITS

Community Investors

As set forth more fully in the attached Operating Agreement of ACCO, LLC [Exhibit D], Class A Members are required to purchase at least one Class A Unit for \$250.00 in cash or a contribution of equivalent value as determined by the LLC Manager. Members shall be allowed to purchase additional units. No Class A Member shall be obligated to make any additional contribution to the Company's capital. New Memberships are subject to the approval of the LLC Manager.

Each Class A Member is entitled to one vote for each Class A Unit owned. Class A Member Units are subject to transfer limitations to remain compliant with securities laws and can only be transferred upon approval by the Manager of ACCO.

The Class A Membership Interests are entitled to 1% of all earnings, losses, credits or other distributions of the company until the Flip Date, defined as January 1 of the year following the five (5)-year anniversary of the issuance of a certificate of occupancy. After the Flip Date, the Class A Membership Interests shall be entitled to 95% of all earnings, losses, credits or other distributions of the company. This is dictated by tax credit rules.

Capital Contributions for Class A Units and allocated profit sharing amounts for Class A Units will be credited to the Internal Capital Accounts of Members. Members are not entitled to interest or other compensation for or on account of their capital contributions to the Company except to the extent, if any, expressly provided in this agreement. The amount allocated to the Class A Member Interests shall be allocated pro rata to the Members individual Internal Capital Accounts based upon the number of Class A Units owned. If the Company is profitable, the Company will issue distributions of that profit. This is not projected to occur within the first five years.

On the death, adjudicated incompetence, or bankruptcy of a Member, the successor in interest to the Member (whether an estate, bankruptcy trustee, or otherwise) will receive only the economic right to receive distributions and will not have any right to participate in the management of the Company, including any right to vote unless the transferee of the Economic Right becomes a fully substituted Member as authorized only by the Managing Member.

After the Flip Date, a Class A Member may request, in writing, that the Company repurchase his or her units. The Company may repurchase the units and the Manager shall have the power but not the obligation, in his or her sole discretion, to repurchase such units in the manner determined by the Manager, but only if such repurchase is in the best interests of the Company. The purchase price of the units shall be the amount in the Member's Internal Capital Account.

CONVERTIBLE BOND

Community Investors + Interest

Class A Members may purchase a Bond from the Company for a minimum additional investment of \$2,000. The Bond amount may be increased in \$500 increments. The Bond will pay out 4.25% interest per annum with interest only payments due on a yearly basis. Interest will begin accruing only on the date monies are released from escrow to ACCO for use on the project.

The Company may pay back principal in whole or in part at any time without penalty.

After five years, the Bond Holder may either elect to convert their Bond principal to Class A Membership units at \$250 per unit or to continue the Bond for a period of Five Years. At the conclusion of this second five-year period the principal plus any remaining interest is due in full. ACCO will establish a reserve fund ("sinking fund") for the repayment of the bond.

An new investor may purchase a Class A Membership Unit and a Bond at the same time.

FULL LIST OF OWNERS & INVESTORS



(As of July 2020)

Joyce Abbott	Kimberley Mansfield	Judy Wright
Jim & Marty Anderson	Emily King	Nicole Kubiczki & Ben Collier
John & Linda Antkowiak	George Klemens	PJ Fraser
Jim Beach	Francis & Helene Kowsky	Lori & Bruce Morrell
James Bialasik	Thomas Lango	Mark & Jeanne Fornes
Steve & Sherry Bligh	Kathleen Lell	Art & Marlene Clark
Liz Bligh	Kathleen & Dennis Lell	Kimberly Moritz
Bob Brachmann & Barbara Fox	Audrey & Jim Mang	Patty Kaiser
Reed Braman	Sharon & Gary Mathe	Walt Kammer
Renaissance Warrantied Services	Tracy & Jeff Maybray	Jessica Ritchie
Mike & Karin Cheman	Janice McCullough-Howe	Samuel Ritchie
Lisa Clark	Bill McGirr	Allison Ritchie
Creekside Physical Therapy	Dan & Natosha	Gerald Krezmien
Mary Carol Dearing	Rich & Eugenie Myers	Gerry Hashagen
Maureen K Diehl	Scott Nachbar	Melyssa Prouty
Andrea Domst	Lia Oprea	Sue Putney and Bill Skura
Charlotte Dudley	Olmsted Camp	Asa Cerasani
Missy Singer Dumars	Mike & Connie Pendl	Jenny Wiede
Allison Duwe	Kathleen Pisaro	Josh & Julia Assad
Liz Duwe	Sandra Rhoades	Deborah and Paul Werner
Kathleen Duwe	Julie Rzepecki	Julie Barret O'Neil & Patrick O'Neil
Debbie & John Ehrig	Will Samuel	Kelley Baker-Ewert & Kevin Ewert
Debbie & John Ehrig	Michael Sharrer	Schuster Family
Ginny Elliott	Andrea Simmons	Patti Kreinheder
Sue Fischbeck & Pat Hurley	Donald Smallback	John & Mary Jane Miess
Mimo Fried	Andy Smith	Geoffrey Gorsuch
Kasey Gaines	Bob & Sue Sorensen	Chris & Marty Snyder
Joe Giroux	Dave Stahley	Susan Russell
Lynne Giroux	Doris E. Steiner	Sam Magavern & Monica Angle
Geoff Graham & Karen McCaskey	Mark & Sherry Stevens	Carol Brucato
Christie & Dan Greene	Diana Strablow	Ann Converso
Ken Gross	Rock Termini	Kathleen West
Barney & Nora Harrison	Termini Associates	Larry Cline
Warren Hashagen	Gary Thamer	Harold & Linda Blesy
Tom & Jolene Hawkins	Jaime & Corey Thompson	Donna Andres
Ray & Julia Hilliker	Ellen & Jeff Wilson	R.J. Andres
Linda & Marty Hoffman	Alek Wochensky	Barb and John Reed
Damon Hudac	E. Seth Wochensky	Miquela and Chris Cerrone
Elliott Hutten	Carlene Wochensky	Springville All Star Marching Band
Jean Kessler	Carolyn Wong	Ron & Kristine Macchioni

PENDING LEGAL PROCEEDINGS



The Company does not have any pending legal matters and is unaware of any potential claims that might be made against the Company.



METHOD OF OFFERING



Members interested in investing will be provided with a copy of this Offering Prospectus and a Subscription Agreement. Investments and/or Membership is only available to those who verify that they are bona fide residents of New York State. The Membership Interests and Bonds issued by the Company in this Offering will be offered and sold by the Members of the LLC. No compensation shall be paid to Members for their efforts in selling these securities. In offering Membership Interests or the Bond for sale, the Managing Member, or his or her designee, shall provide a prospective investor with a copy of the Disclosure Prospectus and shall respond to questions regarding the Offering. To purchase any of these securities, an investor shall execute: (i) the subscription agreement, (ii) a check or electronic payment to Art's Café Community Owners, LLC, (iii) a W-9 form, and, (iv) proof of New York State Residency, such as a copy of a driver's license.

Information may be provided in digital or paper format to Art's Café Community Owners, 5 East Main Street, Springville, NY 14141 or via a webpage designed for this purpose at www.ArtsCafeSpringville.com.

ACCO will conduct a campaign focused on the local community to sell the securities, including a direct mailing to persons who have expressed interest in the project, press releases about the project to local newspapers and contacts with members of ACCO's affiliate entities.

The campaign will utilize online communication including email blasts, mentions on social media and the use of a web portal if made technologically feasible. The web portal will provide general information to the public and allow secure access to the Prospectus and other documents.

No person is receiving any commission or other remuneration directly or indirectly for producing or finding investors. The Company will not pay any fees to any financial advisor, attorney, accountant or other agent of a prospective purchaser in connection with his or her decision whether or not to purchase.

Information about the Membership Units or Bond can be obtained through the Managing Member, E. Seth Wochensky. Any documents mentioned in this Prospectus are available through him. No other person except the persons listed here is authorized to represent this offering. The Company has not authorized anyone to provide information that differs from the information contained in this Prospectus and has not authorized anyone except the Managing Member to provide you with any information relating to this Prospectus. This Prospectus is dated and you should not assume that any of the information provided herein is accurate as of any other date.

ANNUAL REPORTS ^{AND} BOOKS ^{OF} RECORDS



The Company maintains its books and records pursuant to generally accepted accounting principles. Such books and records are currently located at 5 East Main Street, Springville, NY 14141 and available digitally to Members.

The Company shall provide an annual report to its Members certified by an independent certified public accountant. Such report shall include a balance sheet, profit and loss statement, a statement of the material events of the past year, and a statement setting forth the use of all proceeds from this offering. Upon request, additional financial reports are available to Members.

EXPERTS AND ADVISORS



Legal matters in connection with the preparation of the Disclosure Prospectus and the offering of Shares were passed upon by Jonathan G. Johnsen, Esq., a member of the bar of the State of New York, and a partner in the law firm of Creighton, Johnsen & Giroux, 1103 Delaware Ave., Buffalo, New York 14209.

The structuring of the company with relation to tax credit rules was guided by Richard T. Rogers, Esq. and Jason A. Yots, Esq. of Borrelli & Yots PLLC, 170 Florida Street, Buffalo, New York 14208.

Accounting advice on tax credit compliance and the business structure was given by Jim DeBellis, CPA of Flaherty Salmin CPA's in Rochester.

Assistance with property transfers, deeds and other transactional matters related to the project has been given by Kelly O'Neal Adams, Esq., 118 W. Main Street, Springville, New York.

In preparation of the Disclosure Prospectus and other matters, the Attorneys relied upon the representations and statements made by the Company as to facts regarding the Company and its business, and as to the background of the Directors and Officers. The attorneys express no opinion as to any factual matter set forth in the Disclosure Prospectus and no attempt was made to independently verify any of the representations or statements made to them. Accordingly, prospective investors may wish to consult with their own legal and financial advisors, as they deem appropriate, to review and consider the factual representations and information set forth in this Disclosure Prospectus.

The Board of Managers of Art's Cafe Management, LLC guides the operation of the cafe and programming. Members of SCA X, ACCO, and worker-owners serve on this board and guide the project.

Directors of SCA X, Inc. are appointed by the Board of Springville Center for the Arts, Inc. The following are the current Directors of SCA X, Inc. that serve on the ACM Board.



Mary Carol Dearing

As a Licensed Clinical Social Worker (LCSW-R) and Registered Play Therapist Supervisor (RPT-S), Mary Carol worked as a passionate school social worker in a public school for over 30 years. Currently, she has her own business, Grow Mindful WNY, offering training and consulting in mindfulness education, play therapy and social-emotional learning. She is a current member of the NYS School Social Workers Association and the Association for Play Therapy as well as a Board Member of Springville Center for the Arts. She volunteers with the Buffalo Audubon Society as well as the SCA Greenskeepers, tending the green roof at Art's Cafe. (459 E. Main St., Apt 1, Springville, NY)



Mark Stevens

Mark retired from a thirty-one year career at General Motors doing tool set-up, precision grinding and assembly. He was active in the United Auto Workers. He now works on the Town of Sardinia seasonal maintenance and grounds keeping crew. He is a member of the Sardinia Historical Society and the Springville Meals on Wheels. He is an active building volunteer and Board Member of Springville Center for the Arts. (10190 Reed Road, East Concord, NY)



Katherine (Kasey) Gaines, MD

As a medical doctor, Kasey has a passion for the intersection of food, gardening and health. She taught as an assistant and associate professor at SUNY Buffalo, Department of Medicine. Her career spans teaching and attending physician work at ECMC, Gastroenterology Associates, Hospice Buffalo, Buffalo General and more. She has a personal avocation in cooking and nutritional anthropology, supplemented by travel in US and abroad and she has presented numerous times on nutritional issues to medical and lay audiences. She previously served on the ethics committees at Kaleida and Catholic Health and the Bylaws Committee at ECMC. Kasey was active in scouting for over fifteen years and now serves on the Board of Springville Center for the Arts. (11559 Boston State Road, East Concord, NY)

The following are representatives of Art's Cafe Community Owners, LLC on the ACM Board:



Marty Hoffman

Marty graduated from Brandeis University in 1968 with a BA in Psychology. He moved to Western NY to attend UB Medical School and graduated in 1972. After completing residency in Pediatrics at Children's Hospital of Buffalo, he joined as one of the original members of Springville Pediatrics. He worked there and at Bertrand Chaffee Hospital for 21 years. He was School Physician for SGI and Consultant Physician for the League for the Handicapped (now Children's League). In 2010 he was appointed as the Medical Director of the Robert Warner MD Rehabilitation Center. He recently retired. Marty's interests include birding, photography, and bird photography. (11805 Snyder Road, Springville, NY)



Missy Singer-Dumars

Missy comes from a deep tradition of entrepreneurship and business having grown up in a multi-generational family business. She worked in entertainment lighting, managing multi-million dollar projects including Cirque du Soleil and Celine Dion's Caesars Colosseum. From there she transitioned to the holistic community and now has over 20 years experience with counseling, teaching, facilitating retreats, and event planning. She supports business owners to grow their business in a way that is authentic, conscious and sustainable. Missy owns and manages Crown Hill Farm where she grows heirloom vegetables, raises heritage poultry and advocates for food diversity and sovereignty. The farm also serves as a venue for groups, events & private retreats. (9411 Sandrock Road, Eden, NY)



Christine Greene

Christie has been involved with Springville Center for the Arts for 20+ years as a board member and supporter. She owned a furniture manufacturing business in Springville and then went on as the sales and marketing director at BlueCross BlueShield for ten years. She is currently on faculty at Genesee Community College and holds a Master's Degree in Health Services Administration from D'Youville College. (29 Woodland Hts., Springville, NY)

The following worker-owners represent the workers on the ACM Board:



Carol Brucato

Former owner of the Farmer's Daughter Cafe, Carol is excited to bring good coffee and great food back to downtown Springville. From knowing a good cup of coffee to making her own cheese, Carol is interested in all things food. Carol works for Wegmans as a Cheesemonger and brings years of experience in food service and management to the team. She previously spent thirteen years with Ticketmaster as General Manager for the Western and Central New York region doing contract negotiation, personnel management, budgets, promotional execution, and software support. She programmed events and provided software support for box offices from New England to Virginia. Prior to that she spent four years as Box Office Manager for Boston Ballet where she managed a staff of ten. (5630 Eagle Crest Drive, Springville, NY)



Desiree Bojanowski

Desiree Bojanowski is a recent graduate from Alfred University with a Bachelors Degree in Biology. Her passion for plants drew her to the Art's Cafe Management Team. She has experience as a barista at Terra Cotta in Alfred, NY as well as various projects connecting farms to retail. (Springville, NY)



Lia Oprea

With over twenty years as a waitress, host or manager of restaurants in New York City and Los Angeles, Lia is no stranger to food service. After leading ship and land based travel expeditions worldwide with Lindblad Special Expeditions, (now Lindblad-National Geographic), she became a Director of Field Staff at the Seattle-based Zegrahm Expeditions. She worked as a consultant in Southern California after starting a company that assisted smaller restaurants in upgrading their interior design, staff, equipment and service systems. She is currently the General Manager for the Family Estate and Trust: Historic National Register Property Rider-Hopkins Farm and Olmsted Camp in Sardinia. (12820 Benton Road, Sardinia, NY)

The following are additional worker-owners:



Elizabeth McIlreath

Elizabeth graduated with a degree in Culinary Arts from Indiana University focusing on baking and pastry production. She has over 10 year experience including cake making at Orchard Fresh and as the pastry chef at the Orchard Park Country Club.



Allison Duwe

Community organizer, non-profit director and mother turned baker, Allison first tested her skills at granola and bread baking, as well as brick-oven pizza making, in the dining co-ops of Oberlin College. Spending the last several years deepening her knowledge of all things bread, Duwe will help to oversee artisan bread and baking operations at Art's Cafe. Her scones, bagels, and rustic sourdough loaves are renowned throughout the community, beating out a nationally-recognized artisan bakery in the region two to one in a blind taste test. She looks forward to introducing more people to the simple wonders of flour, water and salt. Allison will also bring her organizational and fundraising talents to the Art's Cafe operation. Allison served from 2006-2012 as the Executive Director of the Coalition for Economic Justice in Buffalo, NY. She is the past President of Springville Center for the Arts and Partnership for the Public Good. She has been recognized by the John R. Oishei Foundation as a young leader in Western New York. In addition, Allison is in her second term on the Springville Board of Education and has served as President for four years. She is active in the Erie County School Board Association and the Springville Regional Service Coalition. (30 S. Central Ave, Springville, NY)

Seth Wochensky is also a worker-owner.

FINANCIAL STATEMENTS



Attached as Exhibit A to the Prospectus are the Profit and Loss Statements and Balance Sheet for the period ending June 20, 2020.

Attached as Exhibit B is the pro forma for the continued operation of the Company.

Attached as Exhibit C is the pro forma for the operation of Art's Café Management, LLC.

ACCO is newly formed and has no substantial operating history. Consequently, there are financial statements for recent history but they may not be indicative of a typical year. As of the date of the Offering Prospectus, ACCO has prepared financial projections, based upon assumptions management believes to be reasonable, that project the Company's financial performance. There is no guaranty or promise by management that said financial projections will be achieved. ACCO has also attached financial projections for Art's Café, as, the only substantial cash flow for ACCO will come from Art's Café. The food service business is risky and there can be no guaranty or assurance that Management's assumptions are accurate or that the projections will be realized.

ACCO's financial projections as well as the projections for Art's Café were prepared by E. Seth Wochensky. In preparing the projections, Wochensky researched costs, using actual cost estimates wherever possible, and consulted with experienced food service providers in the area including those on the initial advisory committee (Carol Brucato, Joe Giroux, Mark Higgins, Rich Federowicz, Kevin Kujawa, Alan Chamberlin and Erin Horton), volunteer consultants (Matthew Mayer) and the current worker-owners (Allison Duwe, Lia Oprea, Elizabeth McIlreath, Desiree Bojanowski and Carol Brucato). Wochensky is experienced with operational budgets and financial projections through his work as Executive Director of Springville Center for the Arts which has extensive reporting requirements to various funders and agencies. He has gained experience with capital improvement budgeting through several renovation projects initiated by the Arts Center.

Prospective investors are reminded that, as to the financial projections prepared for the Art's Café, there is and can be no guaranty that said financial projections will be achieved or that the Company will become profitable. Again, the food service business is risky and there can be no guaranty that the assumptions used in the Financial Projections will prove accurate or that the projected financial results will be obtained.

OTHER MATERIAL INFORMATION



The Company has produced this Prospectus and believes that it contains a fair summary of material facts, does not knowingly omit any material fact, and does not contain any untrue statement of material fact.

Exhibits and Attachments

Exhibit A	Profit and Loss Statements and Balance Sheet
Exhibit B	ACCO pro forma
Exhibit C	Art's Café Management, LLC (Tenant) Sources & Uses, Pro Forma
Exhibit D	Art's Café Community Owners, LLC (ACCO) Operating Agreement
Exhibit E	Subscription Agreement

Art's Cafe Community Owners, LLC

Balance Sheet
7/24/2020

ASSETS

Current Assets	
Checking Account	\$3,319.89
Other Current Assets	
Loan to Art's Cafe Management	\$69,725.00
Loan to Art's Cafe Springville	\$13,000.00
Other Assets	
Arts Cafe Springville Equity	\$454,750.00 *
Total Assets	\$541,794.89

LIABILITIES AND EQUITY

Long Term Liabilities	
Bond	\$82,250
Equity	
Class A	\$112,250
Class C	\$372,000
Retained Earnings	-\$29,155.27
Net Income	\$3,450.16
Total Liabilities & Equity	\$541,794.89

*Investors should note: Equity held in Art's Cafe Springville, LLC is subject to the terms of the operating agreement. This calls for a reduction in the ownership percentage as of the "flip" date. At present ACCO owns 99% and receives 99% of the profits from Art's Cafe Springville, LLC for an investment of \$454,750. At the "flip" date of January 1, 2025, ACCO's equity and profit distribution will be reduced to 5% or an anticipated value of \$22,967. This means that it is likely the only asset to pay off Class A Investors or bondholders will be the returns from loans made to Art's Cafe Management, LLC and Art's Cafe Springville, LLC.

Art's Cafe Community Owners, LLC
Profit and Loss Standard
January through December 2019

	Jan - Dec '19
Ordinary Income/Expense	
Income	
Interest	7.90
Total Income	7.90
Expense	
Syndication Costs	4,075.66
Legal Fees	1,295.00
Advertising & Marketing	50.00
Printing and Reproduct...	163.13
Postage and Delivery	49.50
Bank Service Charges	251.00
Advertising and Promo...	3,230.00
Total Expense	9,114.29
Net Ordinary Income	-9,106.39
Net Income	-9,106.39

These records have not yet been audited due to covid-19. All records were delivered to the accountant for review, but due to the pandemic and related shut downs, it is anticipated that we will not receive our audited financials until the end of September. Unaudited financials have been shared with members and are continually available by request.

Art's Cafe Community Owners, LLC
Profit and Loss Standard
January 1 through July 24, 2020

	<u>Jan 1 - Jul 24, '...</u>
Ordinary Income/Expe...	
Income	
Interest	<u>3,753.11</u>
Total Income	3,753.11
Expense	
Syndication Costs	276.95
Legal Fees	35.00
Bank Service Charges	<u>-9.00</u>
Total Expense	<u>302.95</u>
Net Ordinary Income	<u>3,450.16</u>
Net Income	<u><u>3,450.16</u></u>

ACCO LLC

Annual Operating Projection - Summary

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Income					
Art's Café Springville LLC Loan Interest Paymen	563	515	464	412	356
Art's Café Mgmt LLC Loan Interest Payments	13,145	13,675	12,331	10,928	9,448
Expenses					
Mgmt Fee	1,500	1,500	1,500	1,500	1,500
Accounting	1,500	1,500	1,500	1,500	1,500
Amortization	267	267	267	267	267
Other Income					
99% Pass Through Income (Loss) - ACS (Prope	(5,474)	(4,918)	(4,346)	(3,756)	(3,148)
40% Pass Through Income (Loss) - ACM (Tenar	4,578	33,018	54	7,788	10,853
Other Expenses					
Bond Interest Expense	11,548	10,545	9,498	8,406	7,267
NET INCOME (LOSS)	<u>(\$2,003)</u>	<u>\$ 28,478</u>	<u>(\$4,262)</u>	<u>\$ 3,699</u>	<u>\$ 6,975</u>
Other Cash Flow Sources					
ACS, LLC Loan Principal Payments (10yr)	1,053	1,102	1,152	1,205	1,261
ACM LLC Loan Principal Payments (10yr)	24,154	27,063	28,403	29,810	31,290
Other Non Cash Adjustments					
Amortization	267	267	267	267	267
99% Pass Through (Loss) - ACS (Property Ow	5,474	4,918	4,346	3,756	3,148
40% Pass Through Income (Loss) - ACM (Ten	(4,578)	(33,018)	(54)	(7,788)	(10,853)
Partnership Cash Distributions					
ACS, LLC (Property Owner) 99% of a 0% Distr	0	0	0	0	0
ACM LLC (Tenant) 40% of a 50% Distribution	812	17,240	490	4,076	5,313
(Percentage of Distribution vs. Reserve subject to Vote)					
CASH FLOW BEFORE BOND RESERVE	<u>\$ 25,179</u>	<u>\$ 46,050</u>	<u>\$ 30,342</u>	<u>\$ 35,024</u>	<u>\$ 37,401</u>
Bond Principal Reserve Fund	(23,147)	(24,151)	(25,197)	(26,289)	(27,428)
CASH FLOW	<u>\$ 2,032</u>	<u>\$ 21,900</u>	<u>\$ 5,145</u>	<u>\$ 8,735</u>	<u>\$ 9,972</u>
Anticipated Dist. per Class A Unit	<u>\$0.03</u>	<u>\$0.34</u>	<u>\$0.08</u>	<u>\$0.13</u>	<u>\$0.15</u>

Art's Café Mgmt, LLC

Projected Sources & Uses of Cash

Startup Period

SOURCES OF CASH:

ACCO Equity investment (Class A)	\$20,000	
ACCO Loan (Prior)	\$69,000	
ACCO Loan (Current)	\$105,000	
Startup Loans Requested / or ACCO	\$125,000	
TOTAL SOURCES OF CASH		\$ 250,000

USES OF CASH:

Kitchen Equipment	98,000	
House / Dining Room Furniture	3,000	
Fees & Development	3,500	
Interior Finishing & Small Equipment	98,500	
Pre-Opening Expenses	7,000	
Working Capital (5 Month)	40,000	
TOTAL USES OF CASH		<u>\$ 250,000</u>

Art's Café Management, LLC (ACM / Tenant)

5 Year Operating Projections

	Year 1 - Bakery	Year 2 - Full Cafe	Year 3	Year 4	Year 5
Sales:					
Food & Bread	\$ 163,800	\$ 550,316	\$ 495,284	\$ 515,096	\$ 535,700
Beverage	\$ 7,800	\$ 191,490	172,341	186,128	193,573
TOTAL SALES	171,600	741,806	667,625	701,224	729,273
	95.5%	74.2%	74.2%	73.5%	73.5%
	4.5%	25.8%	25.8%	26.5%	26.5%
	100.0%	100.0%	100.0%	100.0%	100.0%
Cost of Sales:					
Food & Bread	\$ 19,656	\$ 126,251	127,288	126,198	131,246
Beverage	\$ 3,120	\$ 43,407	40,328	42,810	42,586
TOTAL COST OF SALES	22,776	169,658	167,616	169,008	173,833
	13.3%	22.9%	25.1%	24.1%	23.8%
Gross Profit	148,824	572,148	500,010	532,216	555,440
	86.7%	77.1%	74.9%	75.9%	76.2%
Payroll:					
Salaries & Wages	\$ 70,200	\$ 293,599	299,471	311,450	323,908
Employee Benefits	\$ 11,727	\$ 47,135	48,078	50,001	51,501
TOTAL PAYROLL	81,927	340,734	347,549	361,451	375,409
	47.7%	45.9%	52.1%	51.5%	51.5%
PRIME COST	104,703	510,392	515,165	530,459	549,242
	61.0%	68.8%	77.2%	75.6%	75.3%
Other Controllable Expenses:					
Direct Operating Expenses	\$ 3,552	\$ 12,120	12,484	12,858	13,244
Programming	\$ 0	\$ 42,720	46,992	48,402	49,854
Marketing	\$ 3,420	\$ 10,800	11,880	12,236	12,603
Utilities	\$ 8,580	\$ 10,200	10,506	10,716	10,930
General & Administrative Expenses	\$ 4,021	\$ 22,405	23,077	23,308	23,774
Repairs & Maintenance	\$ 1,200	\$ 4,740	4,882	5,029	5,180
TOTAL OTHER CONTROLLABLE EXP.	20,773	102,985	109,821	112,549	115,585
	12.1%	13.9%	16.4%	16.1%	15.8%
CONTROLLABLE PROFIT	46,125	128,429	42,639	56,216	64,446
	26.9%	17.3%	6.4%	8.3%	8.8%
Occupancy Costs & Depreciation					
Occupancy Costs	\$ 44,966	\$ 47,690	48,770	49,850	51,030
Depreciation & Amortization	\$ 16,770	\$ 30,720	30,720	30,720	30,720
	26.2%	6.4%	7.3%	7.1%	7.0%
	9.8%	4.1%	4.6%	4.4%	4.2%
Other (Income) Expenses					
Rents (Income)	(\$40,200)	(\$31,200)	(34,320)	(37,752)	(38,885)
Programming (Income)	\$ 0	(\$15,000)	(15,000)	(15,000)	(15,000)
External Loan Interest Expense	\$ 6,026	\$ 6,556	\$ 6,834	5,072	4,266
ACCO Loan Interest Expense	\$ 7,119	\$ 7,119	\$ 6,501	5,856	5,182
	4.1%	1.0%	1.0%	0.8%	0.7%
NET INCOME (LOSS)	\$ 11,444	\$ 82,544	\$ 135	\$ 19,471	\$ 27,132
	6.7%	11.1%	0.0%	2.8%	3.7%
NON CASH ADJUSTMENTS					
Depreciation & Amortization	\$ 16,770	\$ 30,720	30,720	30,720	30,720
	9.8%	4.1%	4.6%	4.4%	4.2%
OTHER CASH OUTFLOWS					
External Loan Principal Payments (10yr)	(9,884)	(12,793)	(13,515)	(14,277)	(15,083)
ACCO Loan Principal Payments (10yr)	(14,270)	(14,270)	(14,888)	(15,533)	(16,207)
	(8.3%)	(1.9%)	(2.2%)	(2.2%)	(2.2%)
	(5.8%)	(1.7%)	(2.0%)	(2.0%)	(2.1%)
AVAILABLE CASH FLOW	\$ 4,060	\$ 86,201	\$ 2,452	\$ 20,380	\$ 26,563
	2.4%	11.6%	0.4%	2.9%	3.6%

Art's Café Community Owners, LLC
A New York Limited Liability Company
OPERATING AGREEMENT
Amended: June 27, 2018

Table of Contents

Section 1	Corporate Affairs	2
Section 2	Class A Memberships: Community Investors	3
Section 3	Class C Memberships: Tax Credit Investors	4
Section 4	Allocation of Profits and Losses and Distributions.	5
Section 5	Indemnification	5
Section 6	Powers and Duties of Manager	6
Section 7	Salaries, Reimbursement, and Payment of Expenses	9
Section 8	Books, Reports, Tax Returns, Fiscal Year and Banking	9
Section 9	Dissolution and Winding Up of the Company	10
Section 10	General Provisions	11

This Amended OPERATING AGREEMENT has been duly adopted at a meeting of the Members held June 27, 2018.

Section 1. Corporate Affairs

1.1 Name of Company. The business of the Company will be conducted under the **Art's Café Community Owners, LLC**. (hereinafter "Company"), or such other name upon which the Members may unanimously agree.

1.2 Formation of Company. Effective January 19, 2018, the Members formed a limited liability company under the name Art's Café Community Owners, LLC on the terms and conditions of the Operating Agreement (Agreement) and pursuant to the Limited Liability Company Act of the State of New York (Act). The Members filed with the appropriate agency within the State of New York charged with processing and maintaining such record all documentation required for the formation of the Company. The rights and obligations of the parties are provided in the Act except as otherwise expressly provided in this Agreement.

1.3 Office. The Company will maintain its principal business office within the State of New York at the following address: 5 East Main Street, Springville, New York 14141.

1.4 Purpose. Art's Café Community Owners, LLC is a limited liability company, is to provide support to the 5 East Main Street, Springville redevelopment project, Art's Café and other related projects, including, but not limited to, providing low-interest loans or investment with the goal of creating a material positive impact on society and the environment, taken as a whole, from the business and operations of the Company.

1.5 Registered Agent. There shall be no registered agent until and unless the parties agree to have such.

1.6 Term. The term of the Company commenced on January 19, 2018 and shall continue perpetually unless sooner terminated as provided in this Agreement.

1.7 Members. There shall be two classes of Members, Class A and Class C, with the rights and obligations as set forth below. A person may acquire both A Class A and a Class C Member Interest.

1.8 Admission of New Members. As provided in this Agreement, additional Members may be admitted through the issuance of a new interest in the company as spelled out in the classes below. The Manager, in his discretion, shall have the authority to admit new members upon the purchase of one unit. New Members shall be bound by the terms of this Operating Agreement.

1.9 Annual Meeting and Representatives to Other Entities. There shall be an annual meeting of the Members at a place, date and time to be set by the Manager. The

members present at such meeting shall have the right to vote for representatives, if any, who are needed to serve on the governing body of any entity that the Company invests in.

1.10 Emergency Meeting. An emergency of the membership may be called, with at least 72 hours' notice, either by the manager or by a written request signed by at least 20% of the membership.

Section 2. Class A Members (Community Investors)

2.1. Class A Members. Class A Members may be admitted to the Company through issuance of a new interest in the Company. Class A membership is available to any person or entity who purchases one Class A Unit and is approved by the LLC Manager.

2.2. Capital Contribution. Each new Member shall purchase at least one Class A Unit for \$250.00 in cash or a contribution of equivalent value as determined by the LLC Manager. Members shall be allowed to purchase additional units. No Member shall be obligated to make any additional contribution to the Company's capital.

2.3. Voting Rights. Each Member is entitled to one vote for each Class A Unit owned.

2.4. Profit Sharing. The Class A Membership Interests are entitled to 1% of all earnings, losses, credits or other distributions of the company until the Flip Date, defined as January 1 of the year following the five (5)-year anniversary of Placement In Service of the last QRE to be Placed in Service for the redevelopment project at 5 East Main Street Springville. After the Flip Date, the Class A Membership Interests shall be entitled to 95% of all earnings, losses, credits or other distributions of the company.

2.5. Member Internal Capital Accounts. Capital Contributions for Class A Units and allocated profit sharing amounts for Class A Units will be credited to the Internal Capital Accounts of Members. Members are not entitled to interest or other compensation for or on account of their capital contributions to the Company except to the extent, if any, expressly provided in this agreement.

2.5.1 Allocation of Profits. The amount allocated to the Class A Member Interests shall be allocated pro rata to the Members individual Internal Capital Accounts based upon the number of Class A Units owned.

2.6. Transfer Restrictions. Class A Membership may not voluntarily or involuntarily transfer, sell, convey, encumber, pledge, assign or otherwise dispose of (collectively, "Transfer") any interest in the company in ways that would conflict with securities, tax credit safe harbor or other law. All Transfers must be approved by the LLC Manager.

2.7. Death, Incompetency or Bankruptcy of Member. On the death, adjudicated incompetence, or bankruptcy of a Member, the successor in interest to the Member (whether an estate, bankruptcy trustee, or otherwise) will receive only the economic right to receive distributions whenever made by the Company and the Member's allocable share of taxable income, gain, loss, deduction and credit (the "Economic Rights").

2.7.1 Any transfer of Economic Rights will not include any right to participate in the management of the Company, including any right to vote, consent to, and will not include any right to information on the Company or its operations or financial condition. Following any transfer of only Economic Rights of a Member's Interest in the Company, the transferring Member's power and right to vote or consent to any matter submitted to the Members will be eliminated, until the transferee of the Economic Right becomes a fully substituted Member.

2.7.2 Repurchase of Economic Interest. Any person possessing only economic rights may request that the Company repurchase an Interest and the Manager shall have the power but not the obligation, in his or her sole discretion, to repurchase such interest in the manner determined by the Manager, but only if such repurchase is in the best interests of the Company.

2.8 Repurchase of Member Interests. After a five-year period as set forth in 2.4, a Member may request that the Company repurchase his or her interest. The Company may repurchase an Interest and the Manager shall have the power but not the obligation, in his or her sole discretion, to repurchase such interest in the manner determined by the Manager, but only if such repurchase is in the best interests of the Company.

2.9 Repurchase price. In any transaction pursuant to 2.7 or 2.8, the purchase price shall be the amount in the Member's Internal Capital Account.

Section 3. CLASS C MEMBERSHIP (Tax Credit Investors)

3.1. Eligibility. Class C Members may be admitted to the Company through issuance of a new interest in the Company. Class C membership is available to any person or entity who purchases a Class C Unit and is approved by the LLC Manager.

3.2. Capital Contribution. Each new Class C membership interest shall require the purchase of a least five(5) Class C units (\$1,000 each) for a minimum capital contribution of at \$5000 in cash or a contribution of equivalent value as determined by the LLC Manager. Members may purchase additional Class C Units for \$1,000 each. No Member shall be obligated to make any additional contribution to the Company's capital.

3.3. Voting Rights. Class C Membership Interests shall have no right to vote on any matter.

3.4. Profit Sharing. Class C Membership is entitled to 99% of all earnings, losses, credits or other distributions of the company until the Flip Date, defined as January 1 of the year following the five (5)-year anniversary of Placement In Service of the last QRE to be Placed in Service for the redevelopment project at 5 East Main Street Springville. After the Flip Date, the Class C Membership shall be entitled to 5% of all earnings, losses, credits or other distributions of the company.

3.5. Member Internal Capital Accounts. Capital Contributions for Class C Units and allocated profit sharing amounts from Class C Units will be credited to the Internal Capital Accounts of Members. Members are not entitled to interest or other compensation for or on account of their capital contributions to the Company except to the extent, if any, expressly provided in this agreement.

3.5.1 Allocation of Profits. The amount allocated to the Class C Members shall be allocated pro rata to the Members individual Internal Capital Accounts based upon the number of Class C units owned.

3.6. Transfer Restrictions. Class C Membership may not be sold, assigned, or otherwise transferred, voluntarily or involuntarily, by operation of law or otherwise, except for a transfer to the Company or a transfer to the holder of a Class A Membership with the approval of the Manager.

SECTION 4 ALLOCATION OF PROFITS AND LOSSES AND DISTRIBUTIONS.

4.1 Profits/Losses. For financial accounting and tax purposes, the Company's net profits or net losses shall be determined on an annual basis and shall be allocated to the Members in proportion to each Member's relative capital interest in the Company.

4.2. Distributions. The Company shall determine and may, but is not obligated to distribute available funds annually or at more frequent intervals as they see fit. Available funds, as referred to herein, shall mean the net cash of the Company available after appropriate provision for expenses and liabilities, including a reasonable reserve, as determined by the Manager(s), in his or her sole discretion.

4.3. No Right to Demand Distribution or Return of Capital. No Member has any right to any return of capital or other distribution except as expressly provided in this Agreement. No Member shall have any drawing account or drawing rights in the Company.

SECTION 5. INDEMNIFICATION

The Company shall indemnify any person who was or is a party defendant or is threatened to be made a party defendant, pending or completed action, suit or proceeding, whether civil, criminal, administrative, or investigative (other than an action by or in the right of the Company) by reason of the fact that he is or was a Member of the Company, Manager, employee or agent of the Company, or is or was serving at the request of the Company, against expenses (including attorney's fees), judgments, fines, and amounts paid in settlement actually and reasonably incurred in connection with such action, suit or proceeding if the Members determine that he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interest of the Company, and with respect to any criminal action proceeding, has no reasonable cause to believe his/her conduct was unlawful. The termination of any action, suit, or proceeding by judgment, order, settlement, conviction, or upon a plea of "no lo Contendere" or its equivalent, shall not in itself create a presumption that the person did or did not act in good faith and in a manner which he reasonably believed to be in the best interest of the Company, and, with respect to any criminal action or proceeding, had reasonable cause to believe that his/her conduct was lawful

SECTION 6. POWERS AND DUTIES OF MANAGERS

6.1 Managed by Manager. The business and affairs of the Limited Liability Company will be managed and conducted by a manager or managers appointed by the vote of the majority in interest of the Members (hereinafter referred to as the “Manager”). The Manager will have the exclusive right to manage the affairs of the Limited Liability Company and handle all matters arising in connection therewith, subject to being consistent with the purpose of the Company as set forth above. In furtherance and not in limitation of the foregoing, the parties acknowledge that the Manager will have the exclusive authority to make decisions regarding the sale or purchase of any securities by the Limited Liability Company other than those identified in Section 2(b) of this Article VI, the purchase of which requires the vote or written consent of a majority in interest of the Members, and to vote, represent and exercise all rights with respect to any security held by the Limited Liability Company. The Manager (i) may be, but need not be, a Member of the Limited Liability Company; (ii) may be removed or replaced only with the consent of the majority in interest of the Members; (iii) unless the Manager resigns as Manager on at least 30 days’ notice to the Members or is removed, will hold office for the life of the Limited Liability Company; and (iv) may not be an entity controlled by Members representing a majority in interest of the Members.

6.2 Rights and Powers of Manager. (A) The Manager will have all specific rights and powers required or appropriate to the management of the business of the Limited Liability Company, including, without limitation, the power to engage the services of such accountants, attorneys and investment advisers as the Manager deems appropriate; provided, however, that the Manager may not (i) do any act in contravention of this Agreement; (ii) do any act which would make it impossible to carry on the ordinary business of the Limited Liability Company; or (iii) possess property of the Limited Liability Company or assign the rights of the Limited Liability Company in specific property of the Limited Liability Company for other than the purposes of the Limited Liability Company. (B) Upon the vote or written consent of a majority in interest of the Members and regardless of whether such investments are or may be considered as involving self-dealing or conflicts of interest on the part of the Manager, the Manager may: (I) invest the cash of the Limited Liability Company in money market or similar types of interest bearing accounts of the Manager or of its affiliate or correspondent banks, domestic or foreign (notwithstanding that F.D.I.C. insurance of \$100,000 is available only for bank accounts located in the United States); (II) invest the assets of the Limited Liability Company in mutual funds for which the Manager is or will be furnishing administrative and record-keeping services and receiving an expense reimbursement from such mutual funds; (III) invest in shares and securities of regulated investment companies (mutual funds) for which the Manager or its affiliates are or will be acting as an investment advisor and receiving the customary fee for so acting; and (IV) invest in private funds or pools, whether in the form of a limited partnership, limited liability company, corporation, trust or other form including, but not limited to, (A) private investment funds sponsored, organized, managed, administered, advised, or privately placed by the Manager or its affiliates, (B) private investment funds in which the Manager and persons and entities affiliated with or related to the Manager and other fiduciary accounts managed by the Manager or its affiliates may also invest, and (C) private investment funds of which the Manager and its affiliates and related persons may serve as general partner, manager, or other service provider, and from which the Manager and entities and persons affiliated with or related to the Manager may receive fees, expense reimbursements, profit allocations and other payments.

6.3 General Duties. The parties have caused the filing with the Secretary of State of the State of New York of the Articles of Organization of the Limited Liability Company. The Manager shall take all action that may be necessary or appropriate for the continuation of the valid existence of the Limited Liability Company as a limited liability company under the laws of the State of New York (and each other jurisdiction in which such existence is necessary to protect the limited liability of the Members or to enable the Limited Liability Company to conduct the business in which it is engaged).

6.4 Tax Duties. The Manager shall prepare or cause to be prepared and shall file on or before the due date (or any extension thereof) any federal, state or local tax or information returns required to be filed by the Limited Liability Company. The Manager shall cause the Limited Liability Company to pay any taxes payable by the Limited Liability Company; provided, however, that the Manager shall not be required to cause the Limited Liability Company to pay any tax so long as the Limited Liability Company is in good faith and by appropriate legal proceedings contesting the validity, applicability or amount thereof and such contest does not materially endanger any right or interest of the Members. The Limited Liability Company shall use reasonable efforts to furnish to the Members, within 90 days after the close of each taxable year of the Limited Liability Company, the tax information reasonably required for federal, state and local income tax reporting purposes.

6.5 Authority. Any person doing business with or otherwise dealing in any transaction whatsoever with the Manager acting as such is entitled to rely fully on the Manager's power and authority to bind the Limited Liability Company in that business or transaction.

6.6 Manager's Standard of Care; Elimination of Liability. The Manager shall perform its duties as Manager in good faith and with that degree of care that an ordinary prudent person in a like position would use under similar circumstances. The Manager will have no liability to the Limited Liability Company or its Members for damages for any breach of duty in such capacity, provided that the foregoing will not eliminate the liability of the Manager if a judgment or other final adjudication adverse to the Manager establishes that (a) the Manager's acts or omissions were in bad faith or involved intentional misconduct or a knowing violation of law, (b) the Manager personally gained a financial profit or other advantage to which the Manager was not legally entitled or (c) with respect to a distribution subject to the provisions of Section 508 of the Act, the Manager's acts were not performed in accordance with Section 409 of the Act.

6.7 Indemnification. The Limited Liability Company shall indemnify and hold harmless any Member or the Manager from and against any and all claims and demands whatsoever (including, without limitation, such as may result from any threatened or actual civil or criminal action or proceeding) incurred or made by reason of such Member's or Manager's status as such, to the full extent provided in Section 420 of the Act as now in effect or hereafter amended or in any similar provision hereafter enacted.

6.8 Limitation of Members' Voting Rights. The Members acknowledge that all decisions relating to the management of the affairs of the Limited Liability Company with respect to any matter whatsoever (including, without limitation, the matters identified in Sections 402(c) and 402(d) of the Act) will be made by the Manager, except that the following decisions are reserved to the Members: (a) to remove and replace the Manager by the vote or written consent of a majority in interest of the Members; (b) to merge or consolidate the Limited Liability Company with another entity by vote or written consent of Members representing 80 percent of the Percentage Interests in the Limited Liability Company; (c) to amend this Agreement by vote or written consent of Members representing 80 percent of the Percentage Interests in the Limited Liability Company; (d) to authorize the "self-dealing" investments identified in Section 6.2; (e) to vote for representatives to serve on the governing board of any other entity as set forth in Section 1.9; and (f) to dissolve the Limited Liability Company pursuant to Section 9 by vote or written consent of Members representing 80 percent of the Percentage Interests in the Limited Liability Company. For any of the matters for which Members have voting rights, such votes may be exercised by proxy.

6.9. Management Fee. In consideration of the performance of the duties of Manager of the Company, the Manager shall receive an annual management fee as agreed upon by the Members.

6.10 Considerations in Manager's Decisions. In discharging his or her duties, the Manager shall consider the effects of any action or inaction on: i) the members of the Company; ii) the employees and work force of the Company, its subsidiaries, and its suppliers; iii) the interests of its customers as beneficiaries of the purpose of the Company to have a material positive impact on society and the environment; iv) community and societal factors, including those of each community in which offices or facilities of the Company, its subsidiaries, or its suppliers are located; v) the local and global environment; vi) the short-term and long-term interests of the Company, including benefits that may accrue to the Company from its long-term plans and the possibility that these interests may be best served by the continued independence of the Company; and vii) the ability of the Company to create a material positive impact on society and the environment, taken as a whole.

6.10.1. In discharging his or her duties, and in determining what is in the best interests of the Company and its members, the Manager shall not be required to regard any interest, or the interests of any particular group affected by an action or inaction, including the members, as a dominant or controlling interest or factor. The Manager shall not be personally liable for monetary damages for: (i) any action or inaction in the course of performing the duties of the Manager under this paragraph if the Manager was not interested with respect to the action or inaction; or (ii) failure of the Company to create a material positive impact on society and the environment, taken as a whole.

6.10.2. The Manager does not have a duty to any person other than a member in its capacity as a member with respect to the purpose of the Company or the obligations set forth in this Article, and nothing in this Article express or implied, is intended to create or shall create or grant any right in or for any person other than a member or any cause of action by or for any person other than a member or the Company.

6.10.3. Notwithstanding anything set forth herein, the Manager is entitled to rely on the provisions regarding "best interests" set forth above in enforcing his or her rights hereunder and under state law, and such reliance shall not, absent another breach, be construed as a breach of the Manager's duty of care, even in the context of a Change in Control Transaction where, as a result of weighing the interests set forth above, the Manager determines to accept an offer, between two competing offers, with a lower price per unit.

6.10.5. The Manager who makes a business judgment in good faith fulfills the duty under this section if the Manager, (i) is not interested in the subject of the business judgment; (ii) is informed with respect to the subject of the business judgment to the extent the director reasonably believes to be appropriate under the circumstances; and (iii) rationally believes that the business judgment is in the best interests of the Company.

SECTION 7. SALARIES, REIMBURSEMENT, AND PAYMENT OF EXPENSES

7.1 Organization Expenses. All expenses incurred in connection with organization of the Company will be paid by the Company.

7.2 Salary. No salary will be paid to a Member for the performance of his or her duties under this Agreement unless the salary has been approved in writing by a Majority of the Members.

7.3 Legal and Accounting Services. The Company may obtain legal and accounting services to the extent reasonably necessary for the conduct of the Company's business.

SECTION 8. BOOKS OF ACCOUNT, ACCOUNTING REPORTS, TAX RETURNS, FISCAL YEAR, BANKING

8.1 Method of Accounting. The Company will use the appropriate method of accounting for financial reporting and tax purposes as determined by the Manager(s) in consultation, if needed, with legal and accounting professionals.

8.2 Fiscal Year; Taxable Year. The fiscal year and the taxable year of the Company is the calendar year.

8.3 Capital Accounts. The Company will maintain a Capital Account for each Member on a cumulative basis in accordance with federal income tax accounting principles.

8.4 Banking. All funds of the Company will be deposited in a separate bank account or in an account or accounts of a savings and loan association in the name of the Company. Company funds will be invested or deposited with an institution, the accounts or deposits of which are insured or guaranteed by an agency of the United States government.

8.5 Inspection Rights. The Company's Articles of Organization, Operating Agreement, and Policy Manual shall be open to inspection by the Members at all reasonable times during business hours. Any such inspection may be made in person or by agent or attorney and the right of inspection includes the right to copy and make extracts. The accounting books and records and minutes of proceedings of the Members and the Board shall be open to inspection upon the demand on the Company of any Member at any reasonable time, for a purpose reasonable related to such person's interests as a Member. Every Officer and Board Director shall have the absolute right at any reasonable time to inspect and copy all books, records and documents of every kind and to inspect the physical properties of the Company. All of the aforementioned records may be kept in written form or in any other form capable of being converted to legible form.

SECTION 9. DISSOLUTION AND WINDING UP OF THE COMPANY

9.1 Dissolution. The Company will be dissolved on the happening of any of the following events:

- 9.1.1** the sale, transfer, or other disposition of all or substantially all of the property of the Company;
- 9.1.2** the agreement of all of the Members;
- 9.1.3** by operation of law.

9.2 Winding Up. On the dissolution of the Company (if the Company is not continued), the Members must take full account of the Company's assets and liabilities, and the assets will be liquidated as promptly as is consistent with obtaining their fair value, and the proceeds, to the extent sufficient to pay the Company's obligations with respect to the liquidation, will be applied and distributed, after any gain or loss realized in connection with the liquidation has been allocated in accordance with Section 4 of this Agreement, and the Members' Capital Accounts have been adjusted to reflect the allocation and all other transactions through the date of the distribution, in the following order:

- 9.2.1.** to payment and discharge of the expenses of liquidation and of all the Company's debts and liabilities to persons or organizations other than Members;
- 9.2.2.** to the payment and discharge of any Company debts and liabilities owed to Members;
- 9.2.3** to the Members holding Class A Units (Community Investors) in the amount equal to the balances in their internal accounts or, if said residual assets are insufficient, then on a pro rata basis in proportion to the relative balances in their internal accounts;
- 9.2.4** to the Members holding Class C Units (Tax Credit Investors), if any, in the amount equal to the balances in their internal accounts or, if said residual assets are

insufficient, then on a pro rata basis in proportion to the relative balances in their internal accounts;

9.2.5 after all members have received the amounts in their internal capital accounts, any assets shall be distributed to a qualified nonprofit corporation determined to be a charitable organization located in Springville, New York and with a mission to generally improve the area through the arts. If no such entity exists, the Manager may distribute any remaining assets to any qualified nonprofit corporation determined to be a charitable organization located in Springville, New York.

SECTION 10. GENERAL PROVISIONS

10.1 Amendments. Amendments to this Operating Agreement may be proposed by any Member. Upon submission by a Member of a proposed Amendment, the Manager shall have the power, in his or her sole discretion, to reject an amendment if such amendment is not in the best interests of the Company. The Manager may propose amendments or may submit a member-proposed amendment to the members for approval. A proposed amendment will be adopted and become effective as an amendment only on the written approval of 80 percent of the Percentage Interests in the Company.

10.2 Governing Law. This Agreement and the rights and obligations of the parties under it are governed by and interpreted in accordance with the laws of the State of New York (without regard to principles of conflicts of law).

10.3 Entire Agreement; Modification. This Agreement constitutes the entire understanding and agreement between the Members with respect to the subject matter of this Agreement. No agreements, understandings, restrictions, representations, or warranties exist between or among the members other than those in this Agreement or referred to or provided for in this Agreement. No modification or amendment of any provision of this Agreement will be binding on any Member unless in writing and signed by all the Members.

10.4 Further Effect. The parties agree to execute other documents reasonably necessary to further effect and evidence the terms of this Agreement, as long as the terms and provisions of the other documents are fully consistent with the terms of this Agreement.

10.5 Severability. If any term or provision of this Agreement is held to be void or unenforceable, that term or provision will be severed from this Agreement, the balance of the Agreement will survive, and the balance of this Agreement will be reasonably construed to carry out the intent of the parties as evidenced by the terms of this Agreement.

10.6 Captions. The captions used in this Agreement are for the convenience of the parties only and will not be interpreted to enlarge, contract, or alter the terms and provisions of this Agreement.

10.7 Notices. All notices required to be given by this Agreement will be in writing and will be effective when actually delivered or, if mailed, when deposited as certified mail, postage prepaid, directed to the addresses first shown above for each Member or to such other address as a Member may specify by notice given in conformance with these provisions to the other Members.

10.8. Informal Resolution. The Members agree that in the event of any dispute or disagreement solely between or among any of them arising out of, relating to, or in connection with this Agreement or the Company or its organization, formation, business, or management, the Members shall use their best efforts to resolve any dispute arising out of or in connection with this Agreement by good-faith negotiation and mutual agreement. The Members shall meet at a mutually convenient time and place to attempt to resolve any such dispute.

10.9 Mediation. In the event that a member dispute cannot be resolved, such parties shall first attempt to settle such dispute through a nonbinding mediation proceeding. In no event shall the results of any mediation proceeding be admissible in any arbitration or judicial proceeding.

10.10 Arbitration. In the event that any party to a mediation proceeding pursuant to this Section is not satisfied with the results thereof, then any unresolved disputes shall be submitted to a final and binding arbitration proceeding in accordance with the Rules of the American Arbitration Society, unless mutually agreed otherwise.

10.11 Attorney Fees. In the event of any suit or action to enforce or interpret any provision of this Agreement (or that is based on this Agreement), the prevailing party is entitled to recover, in addition to other costs, reasonable attorney fees in connection with the suit, action, or arbitration, and in any appeals. The determination of who is the prevailing party and the amount of reasonable attorney fees to be paid to the prevailing party will be decided by the arbitrator, court or courts, including any appellate courts, in which the matter is tried, heard, or decided.



DPO.ArtsCafeSpringville.com