MEMORANDUM OF UNDERSTANDING

ZEN BUILDING

23 Dec 2021, v0.1

BRIEF

The Zen Building is a currently-existing, income-producing real estate asset located in a Qualified Opportunity Zone within the limits of Greenville, SC. It will be acquired at a lower-than-market rate and immediately house a Qualified Opportunity Zone Business as its anchor tenant whose intended business purpose is to provide top-tier Commercial Construction Development services and technologies to the Opportunity Zone sector.

The proposed substantial improvement involves full demolition of the existing structure and new construction of a six-story, 362-unit AAA residential apartment building complete with parking garage, orchestrated by the very QOZB incubated within from the inception of the project.

This will create hundreds of jobs whilst simultaneously stimulating real-world, practical vocational training across dozens of sectors, resulting in tremendous net societal and financial benefit for the OZ Ecosystem and our investors, respectively.

ASSUMPTIONS

- Building is acquired for $5mm (market value $5.8mm) and margin is liquefied
- Anchor tenant pays $30,000 monthly, NNN
- Demolition begins M25; Construction and Pre-leasing begins M26; Completion M36; 50% Occupancy M42; 100% Occupancy M72
- Units will be leased, not sold (valuation at 4% Cap Rate accordingly)
- Project will be refinanced Y10

CAVEATS

- Debt service disconsidered at current due to unknown financing vectors and potential mortgage/leverage scenarios
- Period of no cash flow during demolition and construction
- Taxes considered at 3%
- Potential delays due to unforeseen circumstances related to global supply chain issues