



TREP

TREP (Tokenized Real Estate Properties)

Making Real Estate
Accessible for All

Preface

What is the largest asset class in the world?



Real Estate



Gold



Stocks / Bonds

Which asset class provides the best combination of return and security?



Gold



Stocks / Bonds



Real Estate

As an asset class, real estate is an excellent and relatively secure investment, capable of delivering investors a 10 – 20% Internal Rate of Return (IRR) over a period of 5 – 10 years. However, barring rare circumstances, real estate is not known to deliver 100% or greater returns per year like cryptocurrencies such as Bitcoin or Ethereum have done recently. But, cryptocurrencies and stocks tend to be more volatile and speculative, whereas real estate is generally recognized as a more safer investment, capable of delivering fairly consistent returns.

“The greater the risk, the greater the reward” ... this is a general rule of thumb which has held true for virtually every asset class in the world ... until now!

What if one can have the security and collateral of a physical real estate property combined with the upside of a high-growth stock or a crypto currency?

Introducing TREP – a company tokenizing real estate and making it much more accessible for all investors around the world.



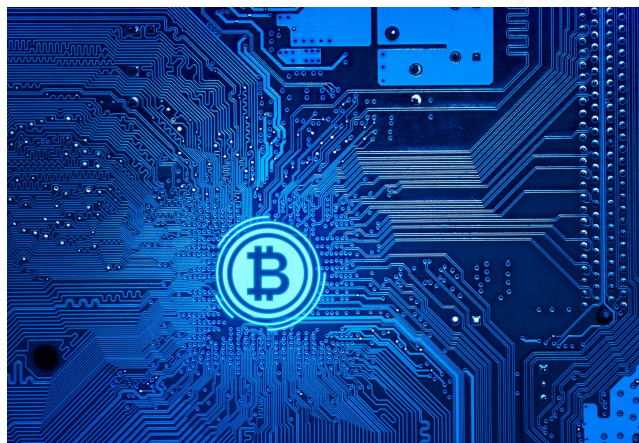
Project Overview

TREP has been created to combine blockchain, the technology of tomorrow, with real estate – the largest asset class in the world.



Purpose:

Tokenize real estate around the globe making it a more liquid investment and much more accessible for everyone, compared to traditional real estate assets. Tokenizing real estate will also provide more security about the proof of ownership and decreases transaction costs and the time required to buy or sell an interest in a property, from weeks or months down to seconds.



Why Tokenize Real Estate?



TREP tokenizes real estate because it has been one of the top performing asset classes throughout history, and it is the largest investment held by most people. By its very nature, real estate provides security and peace-of-mind because it's a physical / tangible asset, unlike something which can become zero like a stock or other investments. It can also provide cashflow and passive income, tax breaks, build equity, even acts as a hedge against inflation.

Real estate is generally an appreciating asset because there is a finite amount of land in the world so supply will always be limited, however the human population increases each day, so demand continues to rise, especially in major metros, causing price appreciation and providing greater ROI (Return on Investment) for investors. Yes, there are cycles in real estate causing some metros to be more in demand compared to others, but over a longer time period, property prices have appreciated handsomely around the world.

The demand and scarcity of real estate has made it the most valuable sector in the world, valued over \$326 Trillion, compared to \$162 Trillion just 5 years ago! Real estate acts as the world's most significant store of wealth and more valuable than all global equities and debt securities combined, and worth almost four times that of the global GDP, according to a new research report released by Savills as part of its "Impacts 2021" programme.

Even a supply of newly constructed properties cannot keep up with the demand in many markets, driving prices and rents higher. If demand remains consistent, and supply is constrained, it presents an excellent investment opportunity for all.

So, what's the problem?

Problem is real estate remains inaccessible for the average consumer.



To purchase a property, one must be able to make a large cash investment and/or have excellent credit to qualify for an affordable loan. Even if these hurdles are crossed, there are many other factors which may still prohibit an investor from taking advantage of the strong earnings this asset class can provide. Additionally, most investors are limited to investing in their local markets, even though the real estate sector may be much better in other cities or countries.



Making matters worse, large hedge funds, private equity groups, REITs (Real Estate Investment Trusts), and other institutional real estate companies are presented with the best opportunities in the market, and they're able to submit cash offers to acquire prime properties. It is virtually impossible for the average consumer to compete against such large institutions with unlimited capital, market credibility, strong management teams, and the ability to move quickly.



In summary, real estate is one of the best investment options in the world, and one of the most widely held asset classes, because most people aim to buy their own homes. However, participating on a larger scale has been very difficult for the average consumer due to several obstacles such as illiquidity, a high barrier of entry, lack of access to the best opportunities, transparency, high transaction costs, and even verifiable proof of ownership is a major hurdle in some countries.



Solution: TREP – Tokenized Real Estate Properties



TREP addresses all the above concerns and many more, making real estate much more attainable for every investor, big or small, and irrespective of where they are located in the world. Investors in Asia, Europe, or Africa can now invest in properties in the US, South America, or Australia, and vice versa.



TREP provides its owners significant benefits including the ability to earn solid passive income and still have the full upside of a high-growth stock. Best part is TREP is not a theoretical idea, but a company backed by strong cash-flowing physical properties.

Real Estate Investing Pain Points:

Pain Point #1:



Illiquidity

Real estate properties are not traded on an exchange like stocks or bonds, so there is no active market in place. As a result, most transactions take considerable time. A typical real estate deal requires at least 30 – 45 days to close, and that is **only after receiving an actual offer from a potential buyer.**

The time required to find a buyer can range from one day to one year or longer, because it is affected by so many variables such as price, demand, location, size, etc.

For this critical reason, even investors who have sufficient capital to invest often hesitate to make an investment in a property if they will need their funds in the near future.

Solution:

Tokenize Real Estate



- ✓ Tokenized real estate looks, feels, earns, and appreciates just like the underlying real estate property, but it is held in the form of tradable tokens, therefore, owners can buy or sell any time they wish, solving the illiquidity concern for investors.
- ✓ Buying or selling tokenized real estate is a peer-to-peer transaction, thus removing many middlemen, decreasing the time and high costs of a transaction. Tokenized transactions settle in seconds, not in weeks or months and at a fraction of the cost!
- ✓ With sound legal representation of ownership through tokenization, the transaction becomes much more simplified. Where before, many documents required signatures, notarization, submission and approval, a sound legal, blockchain-based structure can eliminate this process. Public-key cryptography is able to automate the signature process and close the deal in seconds. This completely revolutionizes real estate transactions!
- ✓ In addition to saving time and money, the pool of potential buyers also vastly increases, because sellers are no longer limited to their local markets. People can invest in tokenized properties from anywhere in the world, making this asset class much more **accessible and liquid** than ever before.

Pain Point #2:



High Entry Barrier

Strong cash-flowing commercial real estate is generally a big-ticket transaction, not suitable for average investors. Secondly, the best opportunities are usually unavailable for most because they're not listed on regular real estate platforms. These properties are brought directly to institutions, so the common man misses out on great deals.

Another significant entry barrier is unrelated to price or access to quality properties, but it involves the requirement of an experienced, qualified management team. Owning and managing a 200+ unit commercial building requires expertise in this area which often prohibits regular or passive investors from participating in some of the best ROI real estate opportunities in the world.

Solution:



Fractionalization via Tokenized Real Estate

- ✔ Tokenized real estate is essentially a property partitioned into smaller units / tokens within the structure of an SPV (Special Purpose Vehicle) whereby individuals can purchase as many tokens (like shares) of the SPV as they wish. This eliminates the "minimum investment" requirement when buying larger properties. Investors can now purchase an interest in a high-performing property with as little as \$100.
- ✔ Furthermore, in a fractional, syndicated transaction, the properties will also be run by professional, experienced property managers so individual fractional owners need not worry or be concerned with the day-to-day operations of the property.
- ✔ One of the greatest advantages of fractionalized real estate is the potential market of buyers increases multifold to include individuals and institutions which greatly benefits sellers, because it improves the seller's ability to receive his desired sale price, versus having to settle for a lower offer from a single buyer.
- ✔ Fractionalization through TREP allows investors to invest any amount they're comfortable with, making the real estate investment feel more like a stock purchase but with a potentially greater ROI for investors. Net result is increased participation and more inflow of capital into the largest asset class in the world.
- ✔ In summary, fractionalization benefits both buyers and sellers, thus positively impacting the real estate market.

Pain Point #3:



High Transaction Cost

A typical real estate transaction has multiple costs that buyers & sellers must face, such as the cost of brokerage which can be as high as 6%. There are also legal costs, finance costs, local jurisdictional taxes, property inspections, and property appraisals, among other expenses. This is another factor which often makes property acquisition very difficult for the average consumer.

Solution:

Tokenized Real Estate



- ✓ Since the entire transaction is done within the blockchain infrastructure utilizing smart contracts, most of the middlemen are removed, thus decreasing the liability of those costs for anyone purchasing a tokenized property. The only true cost faced is the cost of "gas" on the Ethereum platform. As stated previously, buying tokenized real estate truly feels much more like buying a stock than buying a property!

Pain Point #4:



Proof of Ownership and Transparency

In some markets, there is no clear or easy way to search for the title of a property, thus perpetrators often take advantage of buyers by various schemes such as borrowing against a property which has already been sold, or selling the same property to multiple individuals, and running off with the cash.

Solution:

Tokenized Real Estate



- ✓ When a property is tokenized, it utilizes the distributed ledger system within a blockchain, which is essentially a single database that is consensually shared and synchronized across multiple sites and it is accessible by multiple people. If any changes or additions are made to the ledger, they are immediately reflected and copied to all participants. Each transaction is sent and validated by the entire network so there cannot be multiple claims of ownership on the same property.

Pain Point #5:



Accessibility

Accessibility limitations can be due to location, price, and information, among many other factors.

For centuries, real estate has been limited to buyers within a local market, because it is difficult for outsiders to learn about quality sale properties in foreign markets without having a family member or someone trusted residing in that market. As a result, one misses out on valuable opportunities outside of their local markets.

For example, in countries such as India, the rental yield on residential real estate is very low (2 – 3%) compared to the United States where investors can earn as high as 7.5 – 10% on similar properties. Unfortunately, investors in countries like India have been unable to benefit from the higher returns provided by rental properties in the US.

Individual investors also do not have access to or even learn about the top-performing properties which are often acquired by institutional investors.

Price is often another large factor which prohibits accessibility for the average investor. People can only consider properties priced within their specific budgets.

Solution:

Tokenized Real Estate



- ✓ Properties which are tokenized become accessible for all investors, regardless of their location, budget, or expertise, and properties which were formerly reserved for institutions can now be accessed by all.
- ✓ Tokenization eliminates the accessibility obstacle for real estate investors.



Pain Point #6:



Active Management

Dealing with the day-to-day issues that arise in a large residential or commercial property can be very stressful for many, especially considering most investors often have other full-time jobs. Some have tried real estate investing because of its excellent return potential, only to be disappointed with having to manage tenant complaints about maintenance issues, noisy neighbors, vandalism, or crime at the property, so they felt it was just not worth the headache.

Another pain point for many is monthly rent collection or having to deal with the occasional eviction when tenants do not pay their rents. Many people just don't have the patience or the desire to deal with such matters.

In short if there was a way to earn the excellent returns real estate investing can provide without the management headaches, many more investors would be all in.



Solution:

Tokenized Real Estate Investments



When a property is tokenized through syndication, the investor's role is completely passive. Therefore, investors do not have to deal with any maintenance issues, tenant complaints, or rent collection. All this is handled by a full-time professional management company such as TREP, thus providing peace of mind for the investor.

Introduction to TREP

Legally Tokenizing Real Estate Properties (built on blockchain technology and smart contracts)

TREP tokenizes a physical property in a manner which allows the token owners to have the same legal rights and protections that are enjoyed in traditional property ownership, but with the added benefits of a more active market, greater liquidity due to its structure, complete transparency, and security of ownership.

▶ **TREP can provide investors with dual benefits:**

- i. A fully collateralized investment with above average returns, and
- ii. Liquidity like a stock or a REIT to be able to buy or sell any time they wish

▶ **Furthermore, TREP's structure delivers its individual property investors benefits no other real estate investment can provide:**

- i. Monthly rental cashflow produced by the property
- ii. Build equity through principal reduction
- iii. Appreciation in the value of the property
- iv. The upside of a rapidly growing real estate crypto token (TREP)

▶ **Transparency: A complete financial representation of TREP to be available on the TREP Platform and updated quarterly. It will display:**

- i. Balance Sheet
- ii. Income Statement
- iii. List of Property Holdings
- iv. Value of Portfolio
- v. Total Coins / Tokens Outstanding

What kind of assets can be tokenized?

Virtually any real estate property!



A

Commercial Properties

- I. Office Buildings
- II. Corporate Parks
- III. Hotels / Hospitality
- IV. Warehouses
- V. Malls

B

Residential Properties

- I. Apartment Buildings
- II. Individual Single-Family Houses
- III. Vacation Properties

C

New Construction Project Launches

TREP Business Model

TREP's business resembles that of a traditional real estate syndication company with TREP acting as the Sponsor of all syndications it structures.

What is Real Estate Syndication? Real estate syndication is a partnership between several investors who wish to combine their skills, resources, and money to purchase and manage a property they otherwise could not do on their own due to time, money, or expertise.

There are usually two roles in property syndication

The Syndicator
(also known as the
Sponsor)

The Investor

Syndications are essentially properties which are fractionalized so investors can participate by making any size investment they wish. The syndication is organized and managed by a Sponsor, whose duties include sourcing, negotiating, and structuring a deal for a quality property, arranging financing, securing investors, managing the property, and ultimately selling the property.

Sponsors generally receive 20 – 25% of the net profits from operations and the ultimate sale of the property, but this figure can vary from deal to deal. Though investors must give up as much as 25% of their profits to a manager, many love this structure because it removes any stress related to real estate investments and property management.

Real estate syndications tend to provide above average returns compared to many other investments, but they do require a minimum investment and there is normally zero liquidity other than operating cashflow for at least 3 – 5 years. **In contrast, TREP syndications are more favorable, because they do not impose any minimum investment requirements or hold periods.**

How are TREP Syndications Structured?



Most TREP deals will be structured on a 75/25 split with the investors.



Each acquisition is first purchased inside a new SPV (Special Purpose Vehicle)



Capital for 100% of the purchase price comes from two sources. (In rare cases where a fast closing is required to avail a better purchase price, TREP may fund 100% of the acquisition directly, then tokenize with its regular structure.)

25% raised from Investors

75% funded through a Bank Loan
(at rates between 3.00 – 5.00%)



The ownership of the property is shared 75 / 25

75% owned by the investors

25% owned by TREP



All profits (cashflow and sale proceeds) are shared on the same 75/25 ratio



Incorporating Blockchain

i. When a property is tokenized and entered into blockchain, the smart contracts are linked to a share of the property in the form of a Token.

✓ **100%** of the investment is put into blockchain and ownership is represented by Tokens

✓ If **\$10,000,000** is required to complete the purchase, then ten million Tokens valued at \$1 are made available for purchase, so investors can invest as little as \$1 or as much as \$1.0 million!

ii. An **Equity Swap**: In all TREP syndications deals,, investors deliver 25% of their equity to the TREP, in exchange for the same value in TREP Tokens, so investors still continue to hold 100% of the value of their investment in Token form.

✓ **75%** in Tokens of the SPV (property)

✓ **25%** in TREP Tokens

How does TREP compare with fractional sale platforms and other syndication companies around the world?

An analysis of TREP vs Strata (a fractional sale platform in India)

Strata's structure and charges in comparison to TREP:

- 1 2% Acquisition Fee (same as TREP)
- 2 1% Management Fee vs. TREP's 1.5% Management Fee.
- 3 Strata earns 20% of the total return after a hurdle rate of 8%. (TREP earns 25% of the total returns.)
- 4 \$33,333 (or INR 25 Lakh) minimum investment required vs. NO minimum investment required in TREP.
- 5 Only investment properties located in India. (TREP investments will include top performing properties throughout the world!)
- 6 All decisions regarding the sale of an asset requires a minimum 75% shareholder's approval. (Same in TREP)
- 7 Equity interests are not freely traded, no active market present. (TREP Tokens and the SPV Tokens will be tradeable on TREP's platform)
- 8 Property cannot be leveraged without minimum 75% shareholder's approval. (Same in TREP)
- 9 Maximum one investor can invest in a single project is 10 - 25% of the project value so they cannot solely control the decisions of the property. Thus, no one person can influence the sale of the property. (Same in TREP)
- 10 Rents earned are paid out each month. (Same in TREP)
- 11 Strata approves investors only if they are willing to hold a minimum of 3 - 5 years. (TREP has zero minimum hold periods. Investors can buy or sell when they wish.)
- 12 Strata offers a "resale" market where their investors can list interests they wish to sell. Other investors can purchase their stake based upon the valuation which is done every 6 months. (TREP will provide a live marketplace similar to an exchange for each property it tokenizes allowing investors to buy or sell their interests)
- 13 Taxes: TDS is deducted prior to rents being paid. (Same as TREP)

Summary: Key USPs of a TREP Deal in comparison to other syndications:

- ✓ In non-TREP syndications, investors do not receive any share of the profits of the Sponsor. However, in a TREP syndication, through the Equity Swap, investors receive actual equity in TREP in the form of TREP Tokens, and a share of the operating profits earned by TREP. This helps further diversify their investment and can provide a much greater return compared to any other syndication structure.
- ✓ TREP takes advantage of low interest financing in the US to fund 75% of the purchase price, thus requiring a smaller investment to acquire the properties. The result is a greater cash-on-cash return for investors in comparison to other syndications. (see Sample Transaction comparison)
- ✓ TREP syndications do not have any minimum investment requirements or minimum hold periods.
- ✓ TREP syndications are tokenized, therefore there is liquidity in the investment unlike other syndications where investors must wait for the Sponsor to refinance or sell the property to recover their investment.
- ✓ **Capital liability is limited to the investment** in a TREP syndication. This is NOT the case in regular syndications or fractionalized sales.
 - If a property requires additional funding due to an unexpected maintenance expense or a shortfall in rental revenue, the partners are generally required to deposit additional funds to cover said deficiency.
 - In a TREP syndication, additional capital requirements in the operation of the property are managed by the TREP. All expenses must be approved by the partners. TREP covers the expense and will then be reimbursed from future operating revenue or upon the sale of the property.



Sample Transaction

This chart illustrates a \$50,000 investment in the same property under two different structures. Notice which provides the higher return on investment!

TREP vs Other Syndications such as Strata.

Property Price : \$2,000,000
Investor Investment : \$50,000
ROI: TREP vs. Others : 45% vs. 8%

TREP vs Other Syndications	TREP (75/25 Split)	vs	Others (80/20 Split)
Value of Property	\$2,000,000		\$2,000,000
Equity Required (25%)	\$500,000		\$2,000,000
Mortgage @ 4.50% (75%)	\$1,500,000		\$0
Investor Invests	\$50,000		\$50,000
Investor Ownership in Deal	10.00%		2.50%
Rental Yield	7.86%		7.86%
Gross Income	\$157,148		\$157,148
Debt Service	\$91,200		\$0
Net Income	\$65,948		\$157,148
Cashflow (inv share)	\$4,946		\$3,144
Principal Reduction (inv share)	\$2,025		\$0
Price Appreciation (inv share)	\$3,000		\$800
Total Profit	\$9,971	vs	\$3,944
Internal Rate of Return (IRR) in Year 1	19.94%	vs	7.89%
BONUS	TOKEN ADJUSTED RETURNS		
If TREP Token Price Appreciates to \$2 =	44.94%		7.89%
If TREP Token Price Appreciates to \$3 =	69.94%		7.89%
If TREP Token Price Appreciates to \$5 =	119.94%		7.89%

Analysis

How does TREP deliver higher returns compared to other international real estate syndications?

TREP takes advantage of low interest rates to finance 75% of its acquisitions!



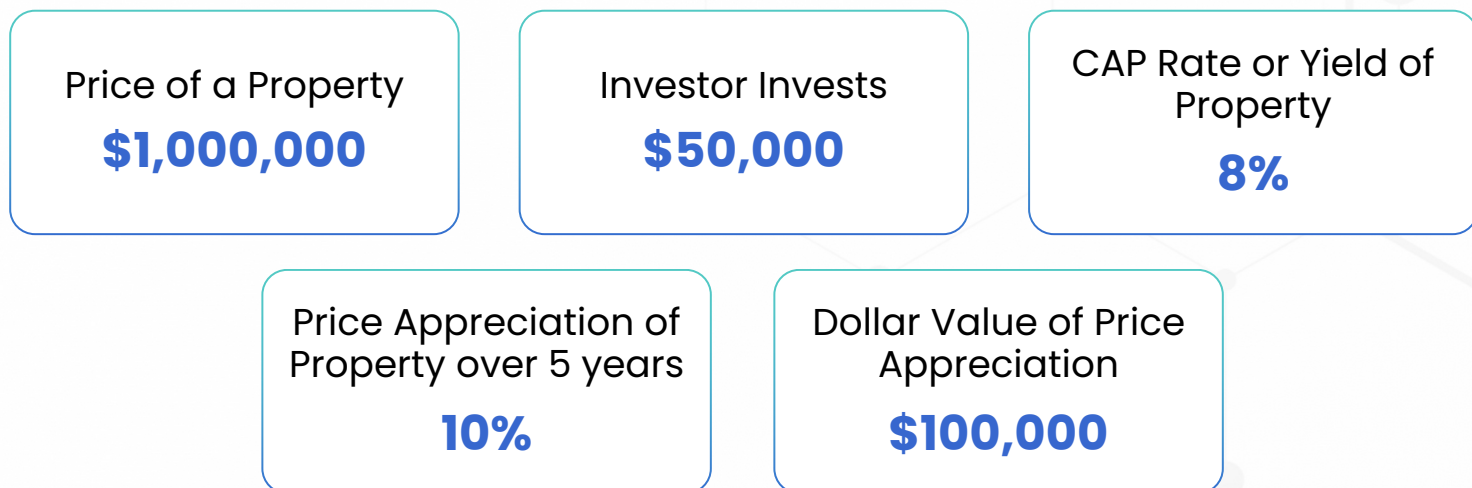
The Result:

Significantly greater earnings for its Syndication Investors!

- 1** TREP finances 75 - 80% of the total purchase price at rates of 3.5 - 5%!
- 2** TREP Returns are based on a much smaller investment in the subject property, thus providing a much larger percentage or "cash-on-cash" return.
- 3** TREP provides additional upside with the 25% equity in TREP Tokens given to syndication investors.

Example of How Financing a Property Can Deliver Much Higher Returns

Consider the following:



Price Appreciation

- 1 In traditional foreign syndications, Sponsor raises capital for 100% of the Purchase Price.
 - A 10% price appreciation results in a \$100,000 profit. \$50,000 Investor earns \$5,000 or 10%.
- 2 In a TREP Syndication, TREP raises capital for 25% of the Purchase Price, or \$250,000.
 - The \$100,000 price increase divided by the actual investment of \$250,000 equals a profit of 40%!
 - The \$50,000 investor earns **\$20,000 or 40%** in a TREP Syndication!

Cashflow: At a CAP Rate of 8%, cashflow = \$80,000

- 1 In a traditional syndication, the \$50,000 investor will earn only \$4000 from the \$80,000 cashflow, because they own only 5% of the property.
- 2 In a TREP Syndication, the \$50,000 investor will earn \$6850 (after debt service) because they own 20% of the property. This is **71% higher than a traditional syndication.**



Equity Increase via Principal Paydown

- 1 In a regular syndication, there is zero principal paydown, as there is no debt financing.
- 2 In a TREP syndication, the \$50,000 investor earns \$2,800 in equity increase from a \$14,000 principal paydown on the mortgage.

Summary: The same amount invested in the same property, but the TREP structure results in a much higher return on investment (ROI) – 50% vs 137%

Summary of 5-Year Earnings	Profit from Price Appreciation	Cashflow	Equity Increase	Total Return	Percentage Return
Regular Syndication	\$5,000	\$20,000	0	\$25,000	50%
TREP Syndication	\$20,000	\$34,250	\$14,000	\$68,250	137%

TREP vs REITs

There are various solutions for lowering the barriers for investing in real-estate. One of them is a REIT (Real Estate Investment Trust). REITs enable access for the average person to invest in real estate. However, investors neither have control over management of the REIT, nor do they directly own any share of the REIT held properties. REITs are an important tool for democratizing access to real estate investments, but when it comes to owning the assets themselves, a REIT offers no solution.

How does TREP compare with REITs?

- 1 REITs are liquid. By comparison, TREP will also be liquid as a crypto token, freely tradable on TREP's platform and crypto exchange(s).
- 2 REITs and TREP have the benefit of no minimum investment requirement unlike traditional real estate transactions, even compared to non-tokenized fractionalized real estate deals.
- 3 TREP, through its syndication, provides its investors an opportunity to purchase an interest in one specific asset which collateralizes their full investment, whereas REITs are more like a mutual fund of properties. The risk may not be greater with a REIT, but the risk of a lower dividend is much greater with a REIT compared to TREP.
- 4 TREP only invests in rent-yielding properties, so no investments into land development or new construction projects which can result in a loss, or zero passive income.
- 5 REITs typically pay out only a percentage of the net cashflow earned to its investors, whereas TREP is designed to pay out 100% of its net cashflow to its token holders.
- 6 One of the biggest differences between a REIT and TREP is a REIT's valuation is only derived from the assets it has purchased and the income generated from them. TREP's valuation is derived from the assets it holds and the income which is generated from it, plus its 25% equity, and fees which it earns from every syndication deal it structures and tokenizes. The more properties TREP tokenizes throughout the world, the more income will be shared with its token holders.
 1. A significant advantage is there will be a base Net Asset Value for TREP based upon the value of its holdings and related cashflow, but the ceiling on earnings is limitless.
 2. The value of a REIT is based upon its assets and related cashflow only. It is virtually impossible for a REIT to provide its shareholders with the ability to experience 100s or 1000s of percentage growth in its share value.
- 7 Retail participation in REITs is low because many people don't understand them, and it has traditionally been an institutional play. In comparison, TREP is a crypto, and as we have seen cryptos are being purchased by thousands of retail and now even institutional buyers, so we feel the demand for a product like TREP should be great.

Below is a brief analysis of TREP vs REITs vs Fractionalized Sales:

TREP vs REITs vs FRACTIONALIZATION	TREP	REITs	FRACTIONALIZED TRANSACTIONS
Liquidity via Tradable Vehicle	✓	✓	✗
No Minimum Investment	✓	✓	✗
No Minimum Investment Term	✓	✓	✗
Ability to Invest in a Single Property	✓	✗	✓
Investment Diversified in Multiple Properties	✓	✓	✗
Only Invests in Cash Flowing Properties	✓	✗	✓
Pays Out 100% of Net Cashflow	✓	✗	✓
Shares in Income of Management Company	✓	✗	✗



TREP compared to other cryptos. Why TREP is a far better option than Bitcoin.

- A** Where is Bitcoin's value derived from? Primarily from scarcity!
- B** Bitcoin usage has decreased in comparison to other cryptos, especially Ethereum. In fact, cryptos such as Ethereum, Cardano, Avalanche, Polygon, and others offer more potential upside, because their platforms offer faster transactions at a fraction of the price as compared to Bitcoin.
- C** TREP, unlike most of the market, is actually backed by physical property so the downside risk is not nearly as great. Plus, it has the upside of a high growth company because it distributes 75% of its earnings with its crypto token holders.
- D** As the trend of tokenizing the largest asset class in the world picks up, TREP is positioned to take advantage and earn significant revenue. It has the potential to become the "Apple" of the industry as an early mover.

The TREP Business Model: Two Unique Investment Options

Individuals may choose to invest in:

1

TREP

A real estate management company, holding company, and Sponsor of all its Syndications.

2

A Portfolio Property (LLC)

A TREP syndicated property and collateralized asset which also includes a 25% direct interest in TREP.

Detailed analysis of these two options:

Option 1:

Invest directly in TREP. This means investing in the syndicator, not an individual syndication. Therefore, an investor will benefit from the fees earned by TREP for providing a management service as well as 25% ownership and net cashflow from its syndications

- 1 TREP, as Sponsor, earns the following fees for the management services and duties it provides for its portfolio properties:
 - a. **2% - Acquisition Fee:** a one-time fee paid to Sponsor for sourcing, negotiating, and structuring the deal, arranging financing, and other contributions to the overall success of the project.
 - b. **1.5% - Asset Management Fee:** Annual fee paid to Sponsor for managing all business affairs related to the property and the LLC.
 - c. **1.0% - Capital Event Fee:** One-time fee paid to Sponsor for working with a lender to structure a refinance of the property or working with brokers to successfully complete a sale of the asset.
- 2 TREP will also receive a 25% equity interest in each property acquisition it structures in exchange for an equal value of newly issued TREP Tokens (at the trading price at time of transaction), to be provided to syndication investors. (All newly issued TREP Tokens will be restricted for a term of one year.)
- 3 As a Real Estate Investment Company: TREP will also acquire properties directly for its own portfolio. These properties can include distressed sales, auction properties, vacation properties, or real estate acquired through TREP's exclusive iBuyer Program.

At present, Option 1 is available for investment in TREP. Ownership in Portfolio Properties will be made available on TREP's platform each time a new syndication is structured.

Option 2:

Invest in an individual Portfolio Property (a Syndication). This is a completely passive investment into a property which is fully managed by TREP and its partners, and Investors earn their share of cashflow each month along with a share of any profits when the property is eventually sold.

1. Investment is 100% collateralized by the acquired property, thus eliminating much of the investment risk.
2. Investors shall receive 75% of monthly cashflow from operations.
3. Investors will invest up to 25% of the total purchase price of the property, and the remaining 75% is typically lender financed.
4. Property is tokenized and put into blockchain via smart contracts.
5. Investors receive Tokens of the syndication which represents their prorated share of 75% ownership in the actual property.
6. Investors also receive an ownership interest in TREP Tokens equal to 25% of the value of their entire investment.
7. TREP (as Sponsor) will receive 25% equity ownership in the property, thus will be entitled to 25% of the cashflow and profits of the property.
8. Rental income will be paid out each month to all investors based upon their proportional ownership of the property.

All acquisitions, whether they may be portfolio properties or part of TREP's direct holdings, must go through a stringent qualification process consisting of numerous metrics including:

1. Quality and value of location
2. Tenant History
3. Strength of current lease agreements
4. Evaluation of past delinquencies and evictions
5. Rental Yield of Property
6. Potential for rent increases
7. Potential market value appreciation
8. Deferred Maintenance
9. Micro and Macro industry factors
10. Quality of clear title

TREP's launch schedule and token allocation

Token sale

Friday, December 31, 2021 Date of Pre-Launch Token Sale	Friday, April 1, 2022 Date of Official Token Sale	Friday, September 30, 2022 Closing Date of Token Sale	\$1 = 1 TREP Token Token Rate (at Launch)
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Allocation	TREP	\$	%
Maximum Token Sale Funding		10,000,000	
Maximum Number of TREP Tokens (Class B & C)	12,500,000	0	100%
TREP Tokens for Sale	10,000,000	10,000,000	80%
Marketing, Legal, Advisers	500,000	0	4%
Team Tokens	500,000	0	4%
Management	1,500,000	0	12%

In the event, TREP raises less than the targeted \$10.0 million by June 30, 2022, any unsold tokens will be burned off, and removed from the outstanding float.

TREP Syndication Structure

Property located and secured "Under contract"

Property value = \$10.0 million

SPV (special purpose vehicle) is created

LLC or LLP structure depending upon country property is located in

Property tokenized using smart contracts on Ethereum blockchain using the ERC-20 protocol

Tokens of the LLC are created representing each share of ownership in the property

25% ————— 75%

\$2.5 million financed with investor capital

\$7.5 million financed through debt financing

2.5 million Tokens purchased @ \$1/Token, representing total value of investor capital. 25% of property value

Preferred lenders include Freddie Mac, Fannie Mae & CMBS

TREP
 Net equity: \$10 million in cash + \$625K in LLC tokens from LLC
 TREP NAV increases to \$10.625 million

Syndication LLC
 \$1,875,000 in LLC tokens
 \$625,000 in TREP tokens
 Total equity = \$2.50 million

\$625,000 in LLC tokens to TREP
 \$625,000 in TREP tokens to LLC

Legally Tokenizing the Property

- ✓ In order to legally tokenize a property within the TREP framework, a specific process is required to bridge the gap between ownership of a distinct real property and the digital Tokens on the Ethereum blockchain that represent that property.
- ✓ First, TREP, LLC was established as a Wyoming limited liability company by filing a Certificate of Formation with the Secretary of State of the State of Wyoming. This LLC acts as the Sponsor. Each property which will be tokenized requires the formation of a new LLC entity which acts as a Special Purpose Vehicle (SPV) for the transaction. Each new LLC will purchase and own one discrete real property asset. LLC membership interests are split into equal digital token units. Ownership of any or all of the Tokens of a particular LLC gives an individual ownership and certain governing rights over the LLC which has issued the Tokens and, therefore, over the discrete property owned by the LLC. Because the sole purpose of a LLC is to own one single property, ownership of all of the Tokens issued by a LLC is effectively ownership of the property held by that SPV.
- ✓ Each of the membership interest units of an LLC is represented by Tokens on the Ethereum blockchain. These digital tokens have a Unique Identification Number (UIN) that is found both in the metadata of the token, and in the Certificate of Formation of the LLC.
- ✓ The deed for the real property asset being acquired by a LLC, that is, the legal document showing who owns the real property, lists the LLC as the recorded owner of the real property. The deed is filed in the county where the property is located and thus ownership of the property by the LLC becomes a matter of public record. Along with the filing of the deed, an affidavit will be filed stating that the property listed and described in the deed is owned by the LLC, which has membership interests split into equal units, each with a distinct UIN and each UIN reflected in the affidavit. The affidavit is a redundant mechanism for linking ownership of the deed to the membership interests of the LLC.

TREP Management

TREP, LLC has an Operating Agreement, and each new LLC will have a separate independent Operating Agreement as they are two distinctly different businesses. The Operating Agreement is an internal document of TREP, LLC that defines the governance and operation of TREP and the relationships among members of the LLC, i.e., between the various owners of TREP, and the management of TREP. Each new syndication LLC will have a separate Operating Agreement which sets forth the specific terms and conditions that define the operation of that particular LLC in relation to the property owned by that LLC and the members, or Token holders, of that LLC. A primary objective of the Operating Agreement is to outsource significant management of the properties to be owned by each syndication LLC to third party service providers, while retaining all ownership rights in the Token holders. Under the Operating Agreement, the authority to manage the day-to-day operations of the real property assets owned by each syndication LLC is given to external local property management service providers.



The purpose of this operating structure is to minimize the responsibility the Token holders (owners of the property) will have in the upkeep and maintenance of the property held by a LLC, with the exception of important choices such as the decision to sell, remodel, refinance, or rebuild the property, or any other unforeseen circumstances that require owner input. The Operating Agreement defines the required quorum for decisions to be executed on behalf of the property management company. The Operating Agreement also establishes the ability for Token holders of each LLC, under certain conditions, to elect to dismiss the property management service and any other contracted service providers, if they so choose, enabling the potential for self-sovereign control of governance of the LLC.

TREP Tokens and Syndication LLC Tokens

TREP Tokens and Syndication LLC Tokens are electronic, cryptographic, digital tokens to be issued as Ethereum-based smart contracts on the Ethereum Blockchain. The protocol, or code, for the TREP Token smart contracts has been designed based on the open-source ERC-3643 standard, modified to address transfer restriction requirements under applicable U.S. securities law and to limit the ability of Digital Wallet holders, or any other persons other than TREP, to transfer or otherwise change the number of TREP Tokens in a Digital Wallet without the proper authorizations and permissions.

TREP Tokens and all Syndication LLC Tokens are effectively digital limited liability company membership interests. Each TREP Token represents a limited liability company membership interest in TREP, LLC whereas each Syndication LLC Token represents limited liability company membership interest in the LLC, and subsequent direct ownership in the real property owned by that particular Syndication LLC. For each Syndication LLC, there will be a limited number of Security Tokens issued and unique to each Syndication LLC owned property. Each Syndication LLC Token shall have a designated universal identification number, or UIN, that is required for linking the Syndication LLC Token to ownership of the membership interest in the Syndication LLC, and thus, to the ownership of the property held by the Syndication LLC. The distinct UINs will be listed in the certificate of formation of each new Syndication LLC, which will be updated and amended to reflect the acquisition of the Tokens by the token holders in each Syndication LLC and posted on the Ethereum blockchain. This will allow anyone to search the Ethereum blockchain to identify the Ethereum digital wallets that own any or all of the Token interests in any Syndication LLC. The format for the Syndication LLC Tokens UIN is as follows:

TRE-[Property Address]

For example, if the property being acquired is located at 1234 Main Street, San Francisco, CA, the Token's UIN will be "TRE-1234-MAIN-STREET-SF-CA". All Tokens will be **ERC-3643** compliant tokens, enabling interoperability with other **Ethereum** platforms.

The Offer and Sale of TREP Tokens and Syndication LLC Tokens

TREP ensures it conforms with local laws and regulations in each jurisdiction in which its Tokens and Syndication LLC Tokens are made available. It treats its tokens as actual “securities” offerings. The following section discusses the legal sale of TREP Tokens and Syndication LLC Tokens.

Regulation D / Regulation S

The TREP Tokens will not be registered under the Securities Act of 1933, as amended (the “Securities Act”), and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the TREP Tokens and Syndication LLC Tokens are being offered and sold only (i) to “accredited investors” (as defined in Rule 501 of Regulation D under the Securities Act) in reliance on Regulation D under the Securities Act and (ii) in offshore transactions to persons other than “U.S. persons” (as defined in Regulation S under the Securities Act) in reliance upon Regulation S under the Securities Act.

KYC / AML

In order for the sale of TREP Tokens and Syndication LLC Tokens to be compliant with applicable regulations, purchasing a TREP Token through the TREP platform will require the implementation of “know your customer” (KYC) and anti-money laundering (AML) procedures. TREP is implementing KYC procedures to verify the identities of our Token and Syndication LLC Token purchasers and AML procedures to ensure that payments for TREP Tokens and Syndication LLC Token do not come from illegal sources. TREP will implement AML/KYC solutions through an independent third-party solutions provider.

Risk Factors & Disclaimer



- ✓ There are many risk factors associated with any type of investment, cryptocurrencies included. These risks span operational, regulatory, market-based, and technological challenges. Prospective investors in the TREP Tokens and Syndication LLC Tokens should carefully consider all risk factors, as well as the information appearing in this Whitepaper, before purchasing TREP Tokens or Syndication LLC Tokens.
- ✓ This Whitepaper contains privileged and confidential information and unauthorized use of this information in any manner is strictly prohibited. If you are not the intended recipient, please notify the sender immediately. This Whitepaper is for informational purposes and not intended to be a general solicitation or a securities offering of any kind. The information contained herein is from sources believed to be reliable, however no representation by TREP, LLC ("Sponsor"), either expressed or implied, is made as to the accuracy of any information, and all investors should conduct their own research to determine the accuracy of any statements made. An investment in this offering will be a speculative investment and subject to significant risks and therefore investors are encouraged to consult with their personal legal and tax advisors. Neither the Sponsor(s), nor their representatives, officers, employees, affiliates, sub-contractors or vendors provide tax, legal or investment advice. Nothing in this document is intended to be or should be construed as such advice.
- ✓ The SEC has not passed upon the merits of or given its approval to the securities, the terms of the offering, or the accuracy or completeness of any offering materials. However, prior to making any decision to contribute capital, all investors must review and execute the Private Placement Memorandum and related offering documents. The securities are subject to legal restrictions on transfer and resale and investors should not assume they will be able to resell their securities.
- ✓ Potential investors and other readers are also cautioned that these forward-looking statements are predictions only based on current information, assumptions and expectations that are inherently subject to risks and uncertainties that could cause future events or results to differ materially from those set forth or implied by such forward looking statements. These forward-looking statements can be identified by the use of forward-looking terminology, such as "may," "will," "seek," "should," "expect," "anticipate," "project," "estimate," "intend," "continue," or "believe" or the negatives thereof or other variations thereon or comparable terminology. These forward-looking statements are only made as of the date of this Whitepaper and TREP undertakes no obligation to publicly update such forward-looking statements to reflect subsequent events or circumstances.
- ✓ This whitepaper further contains several future financial projections and forecasts. These estimated projections are based on numerous assumptions and hypothetical scenarios and TREP explicitly makes no representation or warranty of any kind with respect to any financial projection or forecast delivered in connection with the Offering or any of the assumptions underlying them.
- ✓ This whitepaper further contains performance data that represents past performances. Past performance does not guarantee future results. Current performance may be lower or higher than the performance data presented.
- ✓ All return examples provided are based on assumptions and expectations in light of currently available information, industry trends and comparisons to competitor's financials. Therefore, actual performance may, and most likely will, substantially differ from these projections and no guarantee is presented or implied as to the accuracy of specific forecasts, projections or predictive statements contained in this Whitepaper. TREP further makes no representations or warranties that any investor will, or is likely to, achieve profits similar to those shown in the pro-formas or other financial projections.

TREP Projections


Three Year Proforma Statement


New TREP Tokens Issued at a Price Valuation Where Yield = 12%


	Year 1	Year 2	Year 3
# of New Syndicated Deals	4	7	10
Average Value of Property	\$10,000,000	\$10,000,000	\$10,000,000
Total Value of Properties	\$40,000,000	\$70,000,000	\$100,000,000
Total Cash Invested	\$10,000,000	\$17,500,000	\$25,000,000
Cash-on-Cash Yield	13.50%	13.50%	13.50%
Cash-on-Cash Return / Earnings	\$1,350,000	\$2,362,500	\$3,375,000
Equity Increase via Principal Reduction	\$540,000	\$945,000	\$1,350,000
Property Appreciation (2% per year)	\$800,000	\$1,400,000	\$2,000,000
Total Operating Profits	\$2,690,000	\$4,707,500	\$6,725,000
Net Value of Asset Swap	If TREP = 1.00	If TREP = 2.00	If TREP = 3.00
LLC (Based on Value of TREP)	\$2,500,000	\$8,750,000	\$18,750,000
TREP (Based on Value of LLC NFTs)	\$2,500,000	\$4,375,000	\$6,250,000
LLC Net Profit (Return)	\$2,017,500	\$7,905,625	\$17,543,750
LLC Net Equity Value	\$12,017,500	\$25,405,625	\$42,543,750
LLC Investor's ROI	20.18%	45.18%	70.18%
TREP Fees (2% Acquisition Fee / Deal)	\$800,000	\$1,400,000	\$2,000,000
TREP Fees (1.5% Management Fee / Year)	\$600,000	\$1,050,000	\$1,500,000
TREP's 25% Share of Profits	\$672,500	\$1,176,875	\$1,681,250
Total Earnings on New Syndications	\$2,072,500	\$3,626,875	\$5,181,250


	Year 1	Year 2	Year 3
Total Earnings			
New + Existing Syndications + TLCs	\$2,972,500	\$5,799,375	\$9,580,625


TREP Financial Overview	Year 1	Year 2	Year 3
Outstanding Tokens	13,333,333	16,458,333	19,192,708
New Tokens Issued for Syndications (@ \$1)	3,125,000	2,734,375	2,604,167
Total Outstanding Tokens (fully diluted basis)	16,458,333	19,192,708	21,796,875
Total Earnings by TREP	\$2,972,500	\$5,799,375	\$9,580,625
Token Yield when Price @ \$1	18.06%	30.22%	43.95%
Token Yield when Price @ \$2	9.03%	15.11%	21.98%
Token Yield when Price @ \$3	6.02%	10.07%	14.65%
Token Yield when Price @ \$4	4.52%	7.55%	10.99%
Token Yield when Price @ \$5	3.61%	6.04%	8.79%

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 Per the above projections, if TREP completes only 4 syndication transactions with an average acquisition value of \$10.0 million, TREP's share of the earnings through the syndication would be approximately \$2,072,500 in Year 1.

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 Important Note: In addition to the cashflow earned by TREP, the net asset value (NAV) of the company increases with each new syndication structured, because TREP receives a 25% equity interest in each property.

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 On a fully diluted basis with 16,458,333 tokens outstanding, and a token price of \$1, TREP would be generating an annual yield of more than 18%! The yield should grow each year new syndications are structured.

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 This can create an investment opportunity which provides a healthy cashflow yield plus market appreciation.

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 The above figures are only projections and results can vary based upon the total quantity of deals closed and the average value per transaction.



Roadmap

December 2021
Main Tasks Completed
(Tokenomics, Roadmap, Whitepaper)

March 2022
Pre-launch – Tokens available for
purchase @ Price of \$0.75 / Token

May 2022
First Syndication Under Contract

August 2022
Third Syndication Under Contract

October 2022
Listing on multiple exchanges to
support a more liquid market for TREP
Tokens

October 2021
Research and Development

February 2022
TREP incorporation in Wyoming, USA

April 2022
Formal Launch – Tokens available for
sale @ Launch price of \$1.00 / Token
(Reg D 506(c) Offering)

July 2022
Second Syndication Under Contract

September 2022
Aim to receive full approval for SEC
Reg A+ Filing

The TREP Team

Jay Patel

CEO

The TREP team is led by CEO and Managing Member Mr. Jay Patel, a seasoned veteran of the real estate industry with 22+ years of experience in various facets of the industry including multiple land development projects, rehab flips, structured syndications, and brokerage where he holds a Managing Broker license and has been recognized as a top producer. Currently Patel hangs his license with the fastest growing real estate company in the market - EXP Realty. Beyond traditional real estate, Patel also has a vast level of experience on the real estate technology front having designed and managed a national residential & commercial MLS system for India since 2015.

Syed Rizvi

Securities Counsel

Syed is a recognized leader in the area of corporate law with an emphasis on US securities law. Rizvi spent more than eleven years with the most-respected law firms in New York before forming CounselBridge. He is also a mentor and entrepreneur and serves as both general and special counsel to various companies, advising them on matters including but not limited to corporate finance, information technology, data privacy, as well as regulatory and compliance. Syed holds a Master of Laws from Fordham University in New York and a Bachelor of Laws from the University of London, United Kingdom.

Michael Mazek

Real Estate Transactional Counsel (US)

Michael Mazek is an experienced real estate attorney, well versed in all areas of real estate law including closings, short sales, foreclosures, tax appeals, real estate litigation (adverse possession, lot line disputes, condo association conflict), estate planning (wills, trusts and other estate planning instruments), probate matters, and much more. In 2009, Mazek launched his private boutique firm, Mazek Law Group, to provide high quality legal representation in northern Chicagoland. Michael has worked with Jay Patel on numerous real estate transactions during the past decade, and now joins Patel in TREP where Michael will apply his vast real estate experience in overseeing all TREP property transactions. Michael completed his undergraduate degree at the University of Illinois - Chicago and also received his JD from the University of Illinois - Chicago School of Law in 2004.

Neelkanth Aher

Advocate & Head of International Operations