

STARS Profitable Essential Services Strategy

Leveraging Expenditures for New Revenue and Income Streams



The Shared Technology and Resources Solutions (STARS) program recognizes that universal socio-economic and technical factors affect everyone, everywhere. Essential needs and services are unavoidably subject to persistent hyperlocal “un/under” factors such as unused/under-used, under-resourced, unconsidered, unfunded or underfunded, essentials that affect all community stakeholders. These universal factors require cross-indexing for selecting SMART (specific, measurable, achievable, relevant, time-bound) goals and objectives for sustainability and capacity building.

Universal Factors.

- | | | |
|--|---|--|
| <p><u>Social</u></p> <ul style="list-style-type: none"> • Relationships • Programs • Initiatives | <p><u>Economic</u></p> <ul style="list-style-type: none"> • Allocations/Funds • Resources/Assets • Constituents/Bases | <p><u>Technical</u></p> <ul style="list-style-type: none"> • Infrastructure • Anchor Institutions • Services and Support |
|--|---|--|

Multi-sector cross-indexing of essential such as food, housing, transportation, access to systems, and access to services identify active and passive stakeholders and potential program participants for economies-of-scale savings, volumes and volume discounts, threshold savings, financial credits and incentives (such as carbon credits, investment tax credits, low-income housing tax credits, etc.), federal programs, formula grants, subsidies, and more for qualified, eligible, and/or entitled constituents. The process also identifies the supply-demand-stakeholder value chain(s) for comprehensive consideration.

High-level Indexing Framework (1 Of 6 Tables)

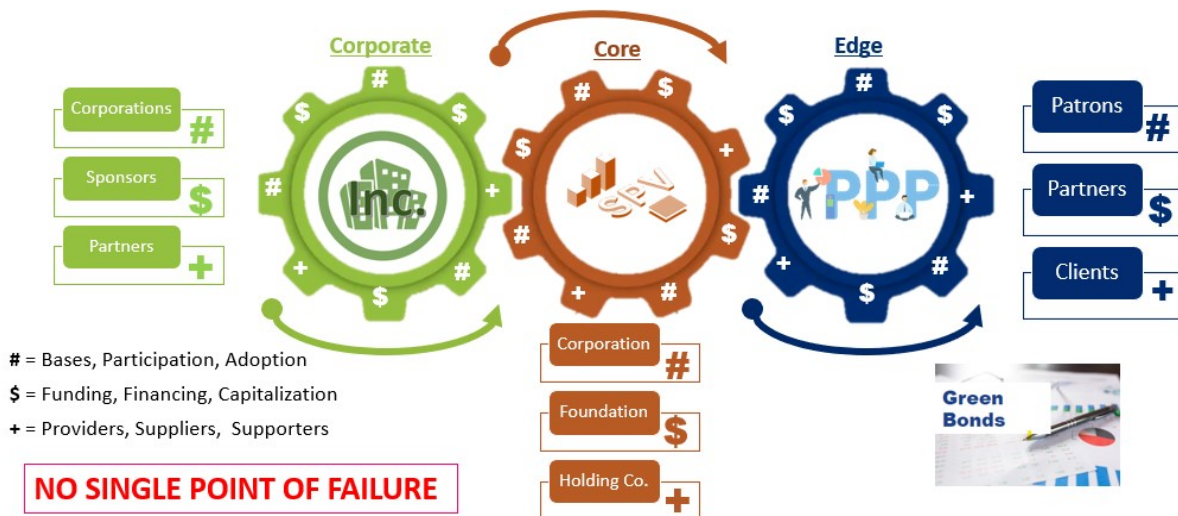
STARS Essential Services Index						
Essential Needs Indicators and Project Goals						
ESSENTIAL NEEDS		KEY LOCAL INDICATORS		PROJECT GOALS		DELIVERABLE
General	Specific	Scope Indicator	Scale Indicator	Socio-economic	Funding/ Financial	Business Unit or Solution Set
Food	Security	Available Options	Poverty Level	More Options	Below Budget	Community Store
	Production	Number of Farms	Total Acreage	Ag-Tech	Reduce Expenses	Grower Consortium
	Processing	Number of Facilities	Total Tonnage	Production	New Revenue	Ag Cooperative
	Distribution	Route Miles	Total Freight	Reduce Waste	More Sales	Ag Cooperative
Housing	Public	Program Types	Number of Units	Security	Budget	LMI Housing Program
	Single Family	Subdivisions	Total Units	Accommodation	Legacy/Estate	Senior Living Solutions
	Multi-Family	Complexes	Total Units	Security	Budget	Real Property Solutions
	Specialty	Program Types	Total Units	Accommodation	Contract	Transitional Living
Transportation	Private	Average Commute	Labor Force	Employment	Income	EV Fleet Solutions
	Public	Transit & Pooling	Ridership	Accommodation	Revenue	EV Fleet Solutions
	Commercial	Loading Docks	Warehouses	Commerce	Revenue	Short haul Solutions
	Industrial	Truck/Rail Routes	Industrial Park	Capacity	Development	Transportation Strategies
Systems (Access To)	Healthcare	Health Facilities	At-Risk Bases	Healthcare	Savings	Medical Use Cases
	Education	School & Centers	Student Bases	Training	Stipends	Education Advantage
	Governance	Physical Presences	Nonprofits/NGOs	Participation	Revenues	General Fund Strategies
	Development	Visible Construction	Student Bases	Opportunities	Revenue	Funding Solutions
Services (Access To)	Constituent	Strategic Plan	Population	Amenities	Savings	Services Platforms
	Commercial	Business Centers	Service Entities	Services	Revenues	Local SPV/LLC
	Development	Mixed-Use Districts	Building Entities	Wellbeing	Funding	Program/Platform
	Preservation	Sites and Signs	Nonprofits/NGOs	Sustainability	Funding	Program/Platform

The STARS algorithm is the framework for comprehensive consideration that can leverage planned and existing costs and expenses for revenue and income streams to deliver attainable and sustainable systems and services for all socio-economic levels. Step Zero, our proprietary initial process for project definition and business case development, establishes the baselines and benchmarks for goal setting and financial projections. Preliminary findings and projections are provided to stakeholders and prospective project owners for consideration.

The collaborative and cooperative approach is particularly effective for expensive demand components such as mitigation, remediation, litigation, transition, transformation, and sustainability for enterprise-class entities. Such activities and considerations are exacerbated if there are social and/or environmental justice implications and/or allegations. The strategy is effectively a “no-fault”, no-admission-of-guilt, resolution that addresses political, professional, and personal concerns of **all** parties including opposing parties, advisers, plaintiff and defendant attorneys, enforcement entities, and the courts.

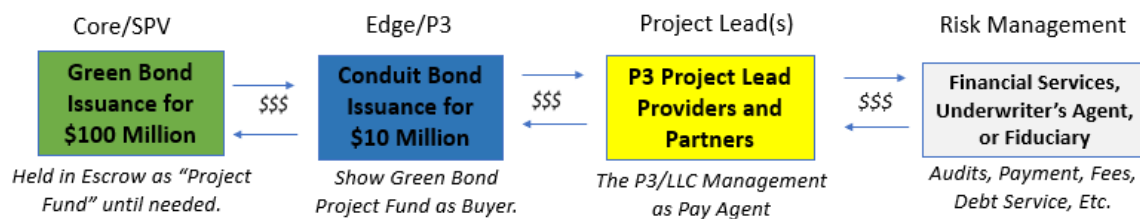
The organizational structure creates a clean-slate, fully-capitalized Special Purpose Vehicle as the core entity with Purchase and Off-take Agreements from edge entities providing recurring income streams, funds-under-management, and the requisite sustaining bases and volumes for the systems and services. All stakeholders will operate/transact in a closed economic loop for maximizing Results, Outcomes, and Impact (STARS ROI 2.0).

Three-Way Drive Closed Loop.

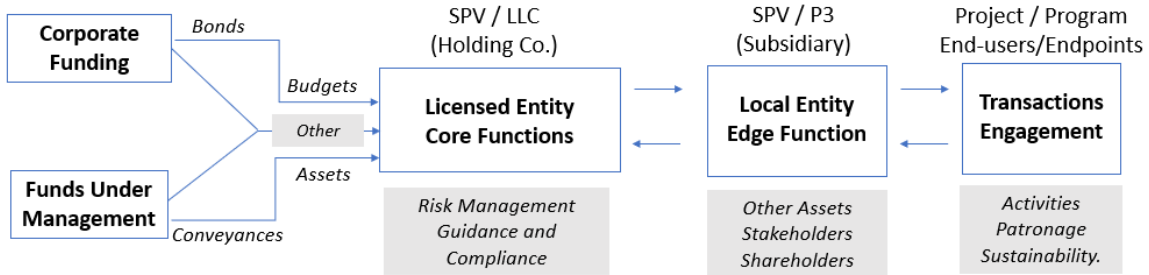


The primary funding solution is the issuance of a green bond of sufficient size to capitalize the initial project portfolio or at a minimum the lead or triggering projects. The green bond issuance will not be initiated until the edge component, the Public-Private Partnership (P3), a local LLC formed under a STARS license, has committed to a Conduit Finance bond of equal size. The green bond use of proceeds will also require a sufficient number of underlying projects with the conduit finance bonds being “bought” through private placement by the green bond proceeds. This dual-bond funding model is one of four project funding options. Other funding options will be provided when the project owners execute the Step Zero LOI (see below).

Dual-Bond Framework



Dual-Bond Funding Flow



INITIAL DEVELOPMENT CYCLE 6-24 MONTHS

Use of Funds Caps, Interest, Coupons, Dividends, Revenue Share

Corporate Benefits	Category	GB Issuance Fee	Coupon	Licensing Fee	Credits Share	Profit Share
	Return	1%	7%-10%	1%	30%	5%
Holding Co. Benefits	Category	CF Bond Fee	Coupon	Licensing Fee	Exchange Fees	Dividends
	Return	5%	7%-10%	10%	2%	1%-5%

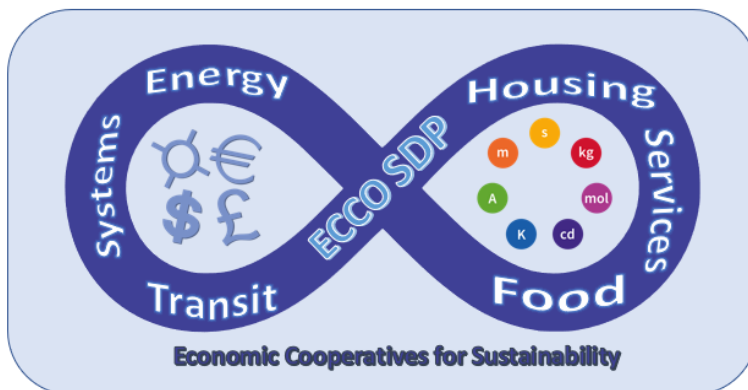
The operational model is an off-balance-sheet company (Corporate) formed by the parent and likely the green bond issuer. Corporate uses the Special Purpose Vehicle (Core) as a holding company managing the bond(s), assets/funds under management, and risk management. The transactional unit of the model is the Public-Private Partnership (Edge) which is where most of the closed-looped market and revenue-generating activities originate using the 3500 plus STARS use cases, strategies and solutions.

Dual-Bond Use of Funds Example. (Negotiable and Scalable)

Use of Funds	Project Capitalization Not-to-Exceed Budget				Target Cost, Revenue, Net Income		
	Capital Funds	Core (SPV) CAPEX/OPEX (1% of Funds)	Edge (P3) CAPEX/OPEX (30% of Fund)	Planning Fees (1% of Fund)	Project Cost	Annual Revenue	Net Income (18%)
Bond Proceeds	\$100,000,000	\$1,000,000	\$30,000,000	\$1,000,000	\$32,000,000	\$36,000,000	\$6,480,000
Project Portfolio	\$23,595,500	\$720,000	\$22,875,500	\$235,595	\$23,595,500	\$26,125,620	\$4,702,611
Notes	Green Bond Proceeds	Overhead / Indirect Costs	US and/or Foreign	Project Owner(s)	Including SPV CAPEX	Not including Non-Program	After All Expenses

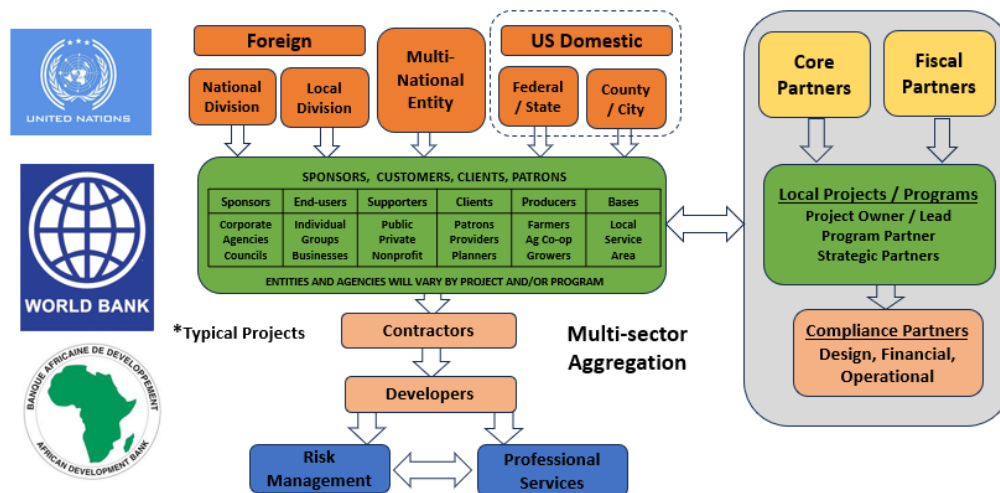
The closed loop is a group of program and platform participants and patrons providing goods and services to the value-chain stakeholders identified in the earlier steps. Using preferred providers, vertical and horizontal purchase and off-take agreements the loop will become a hyperlocal, self-sustaining affinity network and marketplace with substantial local, state, national, and international implications and applications.

Closed-Loop Framework Example



Stakeholder identification and development on a global level will allow the program to capitalize on all markets, domestic and international. The chart below shows a representative chart for an international Sister City Strategy client. Stakeholder charts are case-specific but sharable for closed-loop market definition and regional planning.

Typical Stakeholder Chart



First steps/next steps and timelines are determined on an individual case basis through a proprietary process we call **Step Zero: Project Definition and Business Case Development**. Each project owner will receive a Letter-of-Intent outlining the strategies and solutions, the solution set, project scope and scale, and revenue potential. Step Zero is the commitment point and an executed LOI and payment of the retainer is required to move forward. See the project-specific LOI and the chart below for more details.

Typical Step Zero Fees

STARS Step Zero Initial Fees and Expenses

ALL FEES AND EXPENSES ARE CONTINGENT ON EXECUTION OF LETTER-OF-INTENT

Initial Considerations	Fee or Expense*	Description of Service / Scope
Assess Program Parameters	\$ 1,000	Strategies, Solutions, and Structures
Assess Platform Parameters	\$ 1,000	Systems, Services, and Infrastructure
Project Identification/Definition	\$ 1,000	Viable or Potential Projects and Stakeholders
Business Case Development	\$ 1,000	Business Case Considerations and Projections
Summary Task Lists and Prelims	\$ 1,000	High Level Task List and Preliminary Projections
Initial Considerations Fees	\$ 5,000	Contingent on Signed LOI (First Go/No Go Point)
First Phase Development		
		Description of Deliverables
Solution Development	\$ 5,000	Use Case and Business Case Development
Preliminary Financial Projections	\$ 5,000	Core and Edge SPV Financial Projections
Technical Feasibility Assessment	\$ 5,000	Technical Design Review and Signoff
Financial Feasibility Assessment	\$ 7,500	Fiscal Feasibility Review and Signoff
Funding Solution Development	\$ 15,000	Bonds, Allocations, Contributions, Trusts, etc.
Other Professional Requirements	\$ 5,000	Misc. Legal, Accounting, etc.
Customary Startup Expenses	\$ 5,000	Such as Fees, Deposits, or other
Miscellaneous Travel Expenses	\$ 2,500	Allowance Per Project in Initial Phase Only
First Phase Initial Fees	\$ 50,000	Contingent on Appropriate Agreements (Go/No Go)
* Not-to-Exceed Budget		
Total Fees and Expenses	\$ 55,000	All fees are rebated on full funding. (Contingent)

The fees and expenses are based on industry averages for professional services at the median rate based on the estimated time to complete the particular task and paid by the project owner and/or proceeds resulting from the following strategies.

- Initial funding strategies including rapid revenue ramp, fast funding strategies, or monetary contributions obtained for and/or generated by the program's funding strategies.
- Initial and early stage financing and funding sources including proceeds from leveraged assets, public benefits conveyances, converted donations, etc.

All fees and expenses are not-to-exceed quotes and any overruns will be paid by the program. Over-budgeted amounts exceeding 10% of the total of all fees and expenses will be adjusted or credited.

There will be no out-of-pocket or direct expenses for local champions, city, or county hosts beyond optional contributions for return-on-investments or enhanced revenue-sharing.