

HOMEUNITY

PUBLIC WHITEPAPER 2026

Democratizing Access to Hospitality Real Assets

Through Swiss-Structured Participation

Administered by Fuchs Treuhand AG, Lucerne, Switzerland

Version 2.0 · April 2026

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LEGAL DISCLAIMER AND RISK NOTICE

READ THIS FIRST — IT MATTERS

This document explains an idea. It is **not**:

- An offer to sell you anything
- Investment advice
- A guarantee of returns
- Legal or tax advice

You could lose everything you invest. Hotels can fail. Markets crash. Regulations change. Technology breaks. **100% loss is possible.**

Who Published This

This **Public Whitepaper** is published jointly by:

- **Homeunity** (the operating entity)
- **Fuchs Treuhand AG**, Lucerne, Switzerland (the appointed fiduciary administrator)

Together we're called "**the Company**" or "**we**" in this document.

What This Document Is

This is a **plain-language explanation** of how participation in hotel economics works through:

- Swiss **Registerwertrechte** (registry-recorded contractual rights under Swiss law)
- A structured ecosystem that separates ownership, participation, usage, and liquidity

Target audience: Non-U.S. retail investors, institutional parties, and anyone who may lawfully read this material.

What's Missing Here

This whitepaper gives you the **big picture**. It does **not** include:

- Complete contract terms
- Every fee and edge case
- Smart contract addresses or low-level blockchain details
- Asset-specific factsheets (those come separately for each hotel)

For complete legal details, see:

- **Participation Agreements** (the binding contracts)
 - **Terms of Service**
 - **Asset-specific factsheets**
 - **Risk disclosure supplements** (§16 and §18 below)
-

Two Different Digital Units

HRPT — Your Travel Club Credential

HRPT (Homeunity Protocol Token) is a **digital membership key** — a technical access credential for the Homeunity Travel Club.

What it is:

- **Authentication credential** that grants Travel Club membership
- **Consumptive utility** for accessing hotel services at structural cost
- **DLT-registered right** (Swiss Code of Obligations, Art. 973d)

What it unlocks:

- **Homeunity Travel Club** membership
- Internal hotel rates (50–85% below market)
- AI concierge services
- Priority booking

What it is NOT:

- Not corporate equity in Homeunity
- Not a share of hotel profits or NOI
- Not voting rights in business decisions
- Not designed for speculative trading

Price: Starting at \$0.15 per HRPT

How to get it: Purchase through the platform, complete KYC

HPOT — Your Participation in Hotel Economics

HPOT (Homeunity Participation Object Token) is a **Registerwertrecht** under Swiss law (Swiss Code of Obligations, Art. 973d and following).

One series per hotel. Each HPOT series represents:

- Contractual participation in that hotel's **Net Operating Income (NOI)**
- Rights recorded in the Swiss registry for uncertificated securities
- Legal claims to distributions (when and if declared)

Reference unit: USD \$1 per HPOT (nominal)

What it is NOT:

- Not direct ownership of the hotel building

- Not a corporate share
- Not a guaranteed return
- Not described here as a collective investment scheme unit

How to get it: Only through **HAFS** (Homeunity Asset Facilitation System) — our onboarding and issuance platform. Not available as a retail "buy button" on public exchanges.

If You Are in the United States

For Regular U.S. Investors

HPOT and the **HAFS** participation system are **NOT available to you**.

Access is blocked by:

- Technical controls (geo-blocking)
- Contractual restrictions
- Compliance perimeters

Why? U.S. securities laws are complex. We have not registered HPOT as a security in the United States.

For U.S. Accredited Investors

A **narrow pathway** may exist through our **institutional gateway**, subject to:

- **Rule 501 of Regulation D** verification (you must qualify as an Accredited Investor)
- Separate legal documentation
- Additional compliance checks

See separate materials if you qualify.

HRPT for U.S. Persons

May be available **only where** Terms of Service and compliance controls explicitly allow. Check the platform.

Get U.S. Legal Advice

This whitepaper is **not** a U.S. legal opinion. If you're a U.S. person, consult **your own U.S. securities lawyer** before doing anything.

Risk of Total Loss — We Mean It

Let's be crystal clear about what can go wrong:

You Can Lose 100%

Hotels are risky businesses. Here's how your investment could go to zero:

Hotel Operation Risks:

- Hotel goes bankrupt
- Tourist demand collapses (pandemic, war, economic crisis)
- Natural disaster damages the property
- Insurance doesn't cover losses
- Operator mismanages the property
- Local regulations kill profitability

Market Risks:

- Real estate values crash
- Interest rates spike
- Currency exchange rates move against you (if you're not in USD)
- Tourism patterns shift away from the location

Liquidity Risks:

- You might not be able to sell your HPOT
- No guaranteed buyer at any price
- Secondary market might not exist or might have zero volume
- Exit mechanisms might not trigger for years

Technology Risks:

- Smart contracts could have bugs

- Blockchain infrastructure could fail
- Cyber attacks could compromise systems
- Oracle data feeds could malfunction

Regulatory Risks:

- Laws could change and shut down the system
- Tax treatment could become unfavorable
- Sanctions could freeze your participation
- Compliance requirements could become impossible to meet

Counterparty Risks:

- Operators could breach agreements
- Service providers could fail
- The fiduciary administrator could be replaced
- Third-party systems could collapse

This is not a savings account. There is no deposit insurance. There is no government backstop. **You are taking real risk.**

Forward-Looking Statements Are Just Guesses

Throughout this document, we describe:

- Goals and objectives
- Roadmap items
- Example scenarios
- Projected timelines

None of this is a promise.

Reality can differ **materially** because of:

- Market conditions we can't control
- Regulatory changes we can't predict
- Technology that doesn't work as planned
- Competition we haven't anticipated
- Events we haven't imagined

Past performance means nothing. The fact that hotels made money in the past doesn't mean they will in the future.

Example numbers are illustrations, not forecasts. When we show "\$X per night" or "Y% discount" or "Z% yield," these are **examples to help you understand the concept**. They are **not** predictions, targets, or commitments.

Where This Document May Be Restricted

Your country, state, or local laws may **prohibit** you from:

- Reading this document
- Participating in the system
- Holding HRPT or HPOT
- Accessing the Travel Club

You are responsible for knowing your local laws.

We do **not** represent that:

- This material is legal for you to read
- Participation is legal in your jurisdiction
- We have complied with your local regulations

If in doubt, stop reading and consult a lawyer.

Countries and regions where restrictions commonly apply include (but are not limited to):

- United States (see above)
 - China (PRC)
 - Singapore (retail participation may require licensing)
 - Jurisdictions with OFAC sanctions
 - Any country where tokenized participation in real assets requires local registration
-

About the Fiduciary Administrator

Fuchs Treuhand AG (Lucerne, Switzerland) is the **currently appointed** Swiss fiduciary for:

- Registry administration
- Compliance oversight
- Distribution authorization
- Record-keeping functions

Can this change? Yes. If the fiduciary administrator role transfers to a successor entity, the same functions are intended to continue. You will receive official notice of any change.

What does "fiduciary" mean here? The administrator has contractual duties to follow the rules defined in the participation agreements and Swiss law. It does not mean they guarantee outcomes or protect you from losses.

Islamic Finance Alignment (Where Applicable)

Some counterparties and participants require **Shariah-aligned financial reporting**.

Where applicable, we aim to align disclosures with professional frameworks, including:

- **AAOIFI FAS 33/34** (Accounting and Auditing Organization for Islamic Financial Institutions standards)
- Other recognized Islamic finance disclosure practices

What this is NOT:

- Not a Shariah board certification
- Not a fatwa (religious ruling)
- Not a guarantee of compliance for every participant in every jurisdiction
- Not religious language in consumer-facing materials

What this IS:

- Financial reporting presentation aligned with professional standards
- Optional for participants who don't need it
- Relevant for institutional counterparties in certain markets

Language and Interpretation

The **English version** of this Public Whitepaper is the **authoritative text**.

Translations (including Russian, Arabic, or other languages) are provided for convenience only.

If there's a conflict between versions, English controls.

Definitions — Plain English

We'll use some terms throughout this document. Here's what they mean:

Term	What It Means
NOI (Net Operating Income)	Hotel revenue minus direct operating expenses (before corporate debt and taxes). Roughly: what the hotel earns after paying staff, utilities, maintenance, and other operating costs.
Registerwertrechte	Swiss legal term for "registry-recorded rights." Think of it as contractual rights that are recorded in an official Swiss registry instead of being paper certificates.
SPV (Special Purpose Vehicle)	A separate legal entity created to hold one specific hotel asset, isolated from other business risks.
HAFS (Homeunity Asset Facilitation System)	Our onboarding and issuance platform. Where you qualify, get verified, and receive HPOT for a specific hotel series.
Series	One hotel = one HPOT series. Each hotel gets its own set of tokens with its own economics.
Record Date	The snapshot date when the registry is checked to see who holds what. Like "ex-dividend date" in traditional stocks.

Distribution Waterfall	The order in which money flows from hotel operations to different parties (reserves first, then participants, etc.).
ACR (Asset Coverage Ratio)	A metric inside HAFS that measures facilitation coverage health. Think of it like a capital adequacy ratio.
OTA (Online Travel Agency)	Booking.com, Expedia, Hotels.com, etc. — the platforms that normally charge hotels 15–25% commission.
Disposition	Selling the entire hotel. The exit event.

Acknowledgment

By continuing past this page, you confirm that:

- You have read this entire disclaimer
- You understand the risks (including total loss)
- You are not relying on this as investment, legal, or tax advice
- You will consult your own advisors before participating
- You are lawfully permitted to read this material in your jurisdiction

If you cannot confirm all five points, stop reading now.

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1. EXECUTIVE SUMMARY

What Is Homeunity?

Homeunity makes it possible for regular people to participate in hotel economics — without buying entire properties, dealing with property management headaches, or paying the massive fees that normally lock this asset class away from retail investors.

In one sentence: We structure participation in hotel net operating income through Swiss-registered contractual rights (Registerwertrechte), while also giving you access to those same hotels at internal rates through our Travel Club.

The Core Idea in Three Parts

Part 1: The Ownership Layer (Not You)

Hotels are owned by **Special Purpose Vehicles (SPVs)** — separate legal entities, one per hotel.

Why separate? Bankruptcy remoteness. If Hotel A fails, it doesn't take down Hotel B, Hotel C, or the operating company.

No bank debt. Hotels are purchased without traditional mortgage financing. This eliminates:

- Interest expense (typically 5–8% annually)
- Foreclosure risk
- Loan covenants that restrict operations
- Refinancing risk

You don't own the building. Your participation is contractual, not equity in the SPV.

Part 2: Your Participation Layer (HPOT)

You participate in **Net Operating Income (NOI)** through:

- **HPOT tokens** — one series per hotel
- Issued as **Swiss Registerwertrechte** (contractual rights recorded in the Swiss registry)
- Reference unit: **USD \$1 per HPOT**

What you receive: Distributions tied to hotel performance (when and if declared).

How it works:

- Hotel operates and generates revenue
- Operating expenses are deducted → NOI
- NOI flows through the distribution waterfall
- After reserves and priorities, distributable amount is calculated
- Fiduciary administrator authorizes payment
- You receive your pro-rata share based on your HPOT holdings

Example scenario (illustration only, not a forecast):

- Hotel: 100-room property in a European city
- Total HPOT issued for this series: \$2,000,000 (2 million tokens)
- You hold: 10,000 HPOT (0.5% of the series)
- Annual NOI: \$400,000
- After reserves (20%): \$320,000 distributable
- Your distribution: $0.5\% \times \$320,000 = \mathbf{\$1,600}$
- Your yield on \$10,000: **16%**

Again: This is an example to show the math, not a promise of returns.

Part 3: Your Usage Layer (HRPT + Travel Club)

HRPT is your key to the **Homeunity Travel Club**.

What you get:

- **Internal hotel rates:** 50–85% below market prices
- **AI concierge:** Personalized travel planning, price monitoring, optimal booking times
- **Priority access:** From standard booking to instant confirmation (depending on your tier)

How pricing works:

- Market rate on Booking.com: \$200/night
- Travel Club internal rate: \$40–60/night
- You save: \$140–160/night

Why so cheap?

- No OTA commissions (hotels normally pay Booking/Expedia 15–25%)
- No bank interest (hotels normally pay 5–8% on mortgages)
- No middleman markup
- Direct access to cost-based pricing

Membership tiers:

- **Starter:** Entry level (buy any amount of HRPT, complete KYC)
- **Member:** Enhanced benefits
- **Pro:** Priority booking
- **Elite:** Premium AI concierge, instant confirmations

Club capacity: Only **4,475 total Elite members** forever. Early participants get lifetime Premium AI access.

Why This Structure Matters

The Traditional Hotel Investment Problem

To participate in hotel economics traditionally, you need:

- **\$5–50 million** minimum (to buy a property)
- **Property management expertise** (or hire expensive operators)
- **Bank debt at 5–8%** (with foreclosure risk)
- **3–7% annual fees** (to asset managers, lawyers, administrators)
- **7–10 years locked in** (real estate is illiquid)
- **Geographic concentration** (you can only afford one or two properties)

Result: Hotel investment is locked away for ultra-wealthy investors and institutions.

The Homeunity Solution

We separate four things that are traditionally bundled:

- **Ownership** → SPV holds the hotel (isolated from other assets)
- **Participation** → HPOT gives you economic rights (without owning the building)
- **Usage** → HRPT gives you Travel Club access (without owning or participating)
- **Liquidity** → Secondary markets and exit mechanisms (without selling the hotel)

Result: You can participate with smaller amounts, get usage benefits immediately, and potentially exit without waiting for the entire hotel to sell.

The Numbers (Example Portfolio — Hotels Not Yet Acquired)

These are **illustrative scenarios** to show how the system would work. We do not yet own these specific hotels.

Example Hotel A: Beach Resort (Portugal)

- **Type:** 80-room boutique resort

- **Location:** Algarve coast
- **Acquisition price:** \$8,000,000
- **HPOT series issued:** \$8,000,000 (8M tokens)
- **Expected NOI:** \$800,000/year (10% on acquisition)
- **Distributable (after 20% reserves):** \$640,000/year
- **Expected yield to HPOT holders:** ~8%/year
- **Travel Club rate:** \$60/night (market rate: \$180/night)

Example Hotel B: City Business Hotel (Prague)

- **Type:** 120-room business hotel
- **Location:** Prague city center
- **Acquisition price:** \$15,000,000
- **HPOT series issued:** \$15,000,000 (15M tokens)
- **Expected NOI:** \$1,500,000/year (10% on acquisition)
- **Distributable (after 20% reserves):** \$1,200,000/year
- **Expected yield to HPOT holders:** ~8%/year
- **Travel Club rate:** \$50/night (market rate: \$150/night)

Example Hotel C: Mountain Lodge (Swiss Alps)

- **Type:** 45-room alpine lodge
- **Location:** Valais region, Switzerland
- **Acquisition price:** \$12,000,000
- **HPOT series issued:** \$12,000,000 (12M tokens)
- **Expected NOI:** \$1,080,000/year (9% on acquisition)
- **Distributable (after 20% reserves):** \$864,000/year
- **Expected yield to HPOT holders:** ~7.2%/year
- **Travel Club rate:** \$80/night (market rate: \$280/night)

Total example portfolio:

- **3 hotels**
- **\$35M total acquisition value**
- **35M HPOT across three series**
- **245 rooms** available to Travel Club members
- **\$3.38M annual NOI** (combined, before reserves)
- **\$2.70M distributable** (combined, after 20% reserves)

Again: These are examples to illustrate the concept. Actual hotels, locations, prices, and performance will differ.

Who This Is For

Good Fit

- You want exposure to hotel economics without buying entire properties
- You have \$10–\$100,000+ to allocate
- You understand and accept real estate risk (including total loss)
- You want to travel and benefit from internal hotel rates
- You're comfortable with blockchain technology (or willing to learn)
- You can handle illiquidity (potentially years before exit)
- You're not a U.S. retail investor (or you're a verified U.S. Accredited Investor through institutional gateway)

Not a Good Fit

- You need guaranteed returns
- You can't afford to lose your investment
- You need liquidity on demand (like a stock or savings account)
- You're looking for short-term speculation
- You're a U.S. retail investor (access restricted)
- You're uncomfortable with technology or blockchain

Key Risks (See §16 for Full Details)

You can lose **100%**. Specific risks include:

- **Hotel performance risk:** Hotel could underperform, fail, or close
- **Market risk:** Tourism demand could collapse
- **Liquidity risk:** You might not be able to sell HPOT
- **Regulatory risk:** Laws could change and shut down the system

- **Technology risk:** Smart contracts could have bugs
- **Counterparty risk:** Operators or service providers could fail
- **Currency risk:** USD/EUR/other currency fluctuations
- **Concentration risk:** Your portfolio might be too concentrated in one geography or hotel type

Mitigation doesn't eliminate risk. Our structure includes protections (bankruptcy remoteness, reserves, monitoring), but **bad outcomes can still happen.**

What Makes This Different

vs. Traditional Hotel Ownership

Traditional	Homeunity
\$5–50M minimum	\$10+ minimum
100% of one hotel	Small % of multiple hotels
Bank debt (5–8%)	No bank debt
3–7% annual fees	Lower fee structure
Property management burden	Professional operators
No usage rights	Travel Club internal rates
7–10 year lockup	Potential secondary market

vs. Hotel REITs

Hotel REITs	Homeunity
Corporate structure	SPV isolation per hotel
Management fees (1–2%)	Streamlined structure
No usage rights	Travel Club access
Public market liquidity	Blockchain-based transfers

Geographic diversification	Curated hotel selection
Quarterly reporting	Transparency + on-chain data

vs. Vacation Clubs (Timeshares)

Timeshares	Homeunity
Usage rights only	Economic participation + usage
Fixed weeks/points	Flexible booking
Difficult to exit	Designed exit mechanisms
High sales pressure	Digital-first approach
Opaque economics	Transparent NOI reporting

How to Get Started (High-Level)

Step 1: Travel Club Access (HRPT)

- Visit the platform
- Purchase HRPT (starting at \$0.15)
- Complete KYC verification
- Access Starter tier immediately

Timeline: 24–48 hours for KYC

Minimum: No minimum (though \$100+ recommended for meaningful tier access)

Step 2: Economic Participation (HPOT)

- Choose a hotel series (via asset factsheet)
- Enter HAFS (Homeunity Asset Facilitation System)
- Complete additional verification (if required)

- Receive HPOT allocation

Timeline: Varies by series (typically 7–14 days)

Minimum: Series-specific (typically \$1,000–\$10,000 per hotel)

Step 3: Monitor & Enjoy

- Track your participation via dashboard
 - Receive distributions (when declared)
 - Book hotels at internal rates via Travel Club
 - Monitor performance reports (monthly/quarterly)
-

Regulatory Positioning

Swiss Law Foundation

- **Legal structure:** Swiss Registerwertrechte (OR Art. 973d et seq.)
- **Registry:** Swiss registry for uncertificated securities
- **Administrator:** Fuchs Treuhand AG (licensed Swiss fiduciary)

NOT Classified As (in this document)

- Collective investment scheme (CISA/KAG)
- Bank deposit (BankG)
- Corporate equity
- Guaranteed investment

Designed to Avoid (where possible)

- U.S. retail securities offering
- Public solicitation in restricted jurisdictions
- Unregistered investment fund marketing

See §4 and Appendix E for detailed regulatory framework.

What Happens Next

Immediate (Q2 2026):

- Platform launch
- HRPT initial distribution
- First hotel acquisition negotiations

Near-term (Q3–Q4 2026):

- First hotel onboarded (Example Hotel A or similar)
- First HPOT series issued
- Travel Club bookings open
- Secondary transfer mechanisms deployed

Medium-term (2027):

- Portfolio expansion to 3–5 hotels
- Internal secondary market launch
- Enhanced AI concierge features
- Tier upgrades based on participation history

Long-term (2028+):

- Geographic diversification (Europe, Asia, Americas)
- Potential disposition events (hotel sales)
- Ecosystem expansion (partnerships, integrations)

See §20 for detailed roadmap.

Reading This Document

This whitepaper is long because we're explaining a complex system in plain language.

If you're short on time:

- Read: Legal Disclaimer, this Executive Summary, §5 (Travel Club), §16 (Risks)
- Skim: §6 (HPOT), §8 (Distribution), §18 (Exits)

If you're technical:

- Focus on: §10 (Architecture), §11 (Blockchain), §12 (HAFS), Appendix B (Formulas)

If you're institutional:

- Focus on: §4 (Legal Framework), §9 (Control Layers), §19 (Governance), Appendix E (Regulatory)

Cross-references: When you see (§12) or (app-d), it means "see that section for more detail."

Ready to dive deeper? Let's start with the problem we're solving.

2. THE PROBLEM: WHY TRADITIONAL HOTEL INVESTMENT IS BROKEN

The Hotel Paradox

Hotels can be fantastic investments. When run well, they generate:

- **Steady cash flow** (people always need places to stay)
- **Inflation-hedged pricing** (room rates rise with inflation)
- **Asset appreciation** (real estate value grows over time)
- **Tax advantages** (depreciation, 1031 exchanges in some jurisdictions)

So why don't regular people invest in them?

Because the traditional structure locks out everyone except the ultra-wealthy.

Five Structural Barriers

Barrier 1: Massive Capital Requirements

To buy even a small hotel:

- 50-room property: **\$5–15 million**
- 100-room property: **\$15–40 million**
- 200-room luxury property: **\$50–150 million**

Even with bank financing:

- You still need **25–40% down payment**
- That's **\$1.25–6 million** for a small property
- Plus **\$500K–1M** in transaction costs (legal, due diligence, inspections)

Most people can't access this asset class.

Barrier 2: Forced Leverage (Bank Debt)

Traditional hotel buyers use **bank mortgages** to finance 60–75% of the purchase.

What that costs:

- **Interest rates:** 5–8% annually (as of 2026)
- **Loan terms:** Strict covenants (occupancy minimums, debt service coverage)
- **Refinancing risk:** Balloon payments every 5–10 years
- **Foreclosure risk:** Miss payments → lose the hotel

Example:

- Hotel value: \$10 million
- Bank loan: \$7 million at 6.5%
- Annual interest: **\$455,000**
- That's \$455K that comes out of NOI **before** investors see a penny

This dramatically reduces returns and increases risk.

Barrier 3: The OTA Toll Booth

Hotels rely on **Online Travel Agencies (OTAs)** to fill rooms:

- Booking.com
- Expedia
- Hotels.com
- Airbnb (for smaller properties)

What OTAs charge:

- **15–25% commission** on every booking
- **Advertising fees** to rank higher in search
- **Loyalty program costs** (Best Price Guarantee matching)

Example:

- Room booked at \$200/night
- OTA commission (20%): **\$40**
- Hotel nets: **\$160**

Multiply by thousands of bookings → millions lost to middlemen annually.

Barrier 4: Operational Complexity

Running a hotel is **hard work**:

- **24/7 operations** (front desk, housekeeping, maintenance)
- **Staff management** (hiring, training, payroll, benefits)
- **Compliance** (health codes, fire safety, accessibility, labor laws)
- **Technology** (booking systems, PMS, channel managers)
- **Marketing** (SEO, paid ads, reputation management)
- **Guest experience** (reviews, complaints, service standards)

Most investors don't want to be hoteliers.

Solution: Hire a **management company**.

Cost:

- **3–5% of revenue** (base management fee)
- **20–30% of GOP** (gross operating profit incentive fee)
- **Plus** reimbursement for corporate overhead

Result: Another layer of fees eating into returns.

Barrier 5: Illiquidity

Real estate is **slow to sell**:

- **6–18 months** typical timeline to sell a hotel
- **High transaction costs** (5–10% of sale price in broker fees, legal, transfer taxes)
- **Market timing risk** (you might be forced to sell in a downturn)
- **No guaranteed buyer** (niche properties can sit unsold for years)

If you need your money back quickly, you're stuck.

The Math: Why Traditional Hotel Investment Fails for Regular People

Let's walk through a real example.

Scenario: 60-Room Hotel in a European City

Purchase price: \$12,000,000

Traditional financing structure:

- Down payment (30%): **\$3,600,000**

- Bank loan (70%): **\$8,400,000** at 6.5% interest

Annual operating results:

- Revenue: **\$3,000,000** (60 rooms × \$137/night avg × 365 days)
- Operating expenses: **\$2,100,000** (staff, utilities, supplies, maintenance)
- **Gross Operating Profit (GOP): \$900,000**

Deductions from GOP:

- OTA commissions (25% of revenue): **\$750,000**
- Management fees (4% revenue + 25% GOP): **\$120,000 + \$225,000 = \$345,000**
- Bank interest (6.5% on \$8.4M): **\$546,000**

Net Operating Income (after all deductions):

- \$900,000 (GOP) - \$750,000 (OTA) - \$345,000 (mgmt) - \$546,000 (interest)
- = **-\$741,000 (LOSS)**

Your return on \$3.6M investment: **NEGATIVE**

Why This Happens

The problem is **structural cost stacking**:

- **OTA commissions** (25% of revenue) = \$750K
- **Management fees** (4% + incentive) = \$345K
- **Bank interest** (6.5%) = \$546K

Total structural costs: \$1,641,000

That's more than the entire Gross Operating Profit.

Even a well-run hotel with 80%+ occupancy can't overcome this cost structure.

The Incumbent's Defense

"But wait," you might say, "millions of hotels operate profitably with this structure. How?"

Answer: They don't.

Many hotels survive by:

- **Underpaying staff** (minimum wage, poor benefits)
- **Deferred maintenance** (letting the property deteriorate)
- **Cutting corners** (cheap supplies, minimal amenities)
- **Inflating prices** (passing costs to guests)
- **Hoping for appreciation** (betting on real estate value growth, not cash flow)

Or they just barely break even and hope to sell at a profit eventually.

This is not a system designed for investor returns. It's a system designed to extract fees from multiple parties while the hotel itself struggles.

Why This Matters for You

If you're reading this whitepaper, you probably can't write a \$3.6 million check for 30% of a struggling hotel.

Even if you could:

- You'd be locked in for **7–10 years**
- You'd earn **zero or negative cash flow**
- You'd be **geographically concentrated** (one property)
- You'd be **illiquid** (can't sell quickly)
- You'd have **operational headaches** (even with management)

Traditional hotel investment is broken for regular investors.

The Obvious "Solutions" — And Why They Don't Work

"Solution" 1: Buy Hotel REIT Stocks

What it is: Publicly traded companies that own hotel portfolios (Marriott, Hilton, Hyatt, etc.).

Problems:

- **Corporate overhead:** Management layers, executive compensation
 - **No usage rights:** You can't stay at their hotels for internal rates
 - **Market volatility:** Stock price swings unrelated to hotel performance
 - **No asset selection:** You get whatever hotels they own
 - **Fees still exist:** OTAs, debt, management — all still there
-

"Solution" 2: Join a Timeshare / Vacation Club

What it is: Buy "points" or "weeks" to use hotel rooms.

Problems:

- **No economic participation:** You pay for usage only, no profit share
 - **Depreciation:** Timeshares lose value over time (opposite of investment)
 - **Exit scam:** Nearly impossible to sell (market flooded with desperate sellers)
 - **High-pressure sales:** Notorious for aggressive tactics
 - **Hidden fees:** Maintenance fees that escalate annually
-

"Solution" 3: Fractional Ownership

What it is: Own 1/4, 1/8, or 1/12 of a luxury vacation home with others.

Problems:

- **Still expensive:** \$100K–500K+ per fraction
 - **Usage conflicts:** Scheduling fights with co-owners
 - **Maintenance burden:** Shared responsibility for upkeep
 - **Illiquid:** Even harder to sell than whole properties
 - **Not hotels:** Typically single-family homes, not income-producing assets
-

"Solution" 4: Crowdfunded Real Estate

What it is: Platforms like Fundrise, RealtyMogul, etc.

Problems:

- **Opaque fees:** Hidden layers of fees (platform, management, fund-level)
 - **No usage rights:** Pure financial investment
 - **Illiquidity:** Lock-up periods of 5+ years
 - **Corporate structure:** You own shares in a company, not direct participation
 - **Geographic limits:** Often U.S.-only or single-country
-

What's Missing: A Better Structure

None of these "solutions" address the core problems:

- **Structural cost stacking** (OTAs + debt + management fees)
- **Capital requirements** (millions needed)
- **Operational complexity** (you don't want to be a hotelier)
- **Illiquidity** (can't exit easily)
- **No usage benefits** (can't use what you invest in)

We need a new model.

Next: How Homeunity solves these problems with a four-layer separation structure.

3. THE HOMEUNITY SOLUTION: FOUR-LAYER SEPARATION

The Core Insight

Traditional hotel investment **bundles four things together**:

- Ownership (you own the building)
- Economic participation (you get the profits)
- Usage (you can stay there, but at market rates)
- Liquidity (you can only exit by selling the entire property)

Homeunity unbundles them.

Each layer operates independently. You can have one without the others. This creates flexibility, reduces risk, and lowers barriers to entry.

Layer 1: Ownership (SPV Structure)

Who Owns the Hotel

Each hotel is owned by a **Special Purpose Vehicle (SPV)** — a separate legal entity created for that one asset.

Example:

- Hotel: Beach resort in Portugal
- SPV: Homeunity Portugal Resort SPV LLC (or equivalent Swiss/EU entity)
- **Only this hotel** is held by this SPV
- If this hotel fails, it doesn't affect other hotels or the operating company

Why SPV Isolation Matters

Bankruptcy remoteness: If Hotel A goes bankrupt, creditors can only claim Hotel A's assets. They **cannot** touch:

- Hotel B, Hotel C, or other properties
- The operating company (Homeunity)
- Other participants' holdings in different series
- Travel Club operations

Structural protection: Each asset stands alone. Contagion is prevented by design.

No Bank Debt = Massive Savings

Traditional hotel investors use **60–75% bank financing**.

Homeunity doesn't.

Hotels are purchased **debt-free** using participant capital (via HPOT issuance).

What this eliminates:

- **Interest expense:** 5–8% annually (typically \$300K–600K on a \$10M hotel)
- **Foreclosure risk:** No lender to seize the property
- **Loan covenants:** No minimum occupancy requirements or debt service ratios
- **Refinancing risk:** No balloon payments or rate resets
- **Amortization drag:** No principal repayment reducing cash flow

Example comparison:

Item	Traditional (with debt)	Homeunity (no debt)
------	-------------------------	---------------------

Hotel value	\$10,000,000	\$10,000,000
Bank loan	\$7,000,000 @ 6.5%	\$0
Annual interest	\$455,000	\$0
NOI before interest	\$1,200,000	\$1,200,000
NOI after interest	\$745,000	\$1,200,000
Extra available for distributions	—	+\$455,000

That's 61% more distributable income just by eliminating debt.

Layer 2: Participation (HPOT — Registerwertrechte)

What HPOT Represents

HPOT = contractual participation in a specific hotel's **Net Operating Income (NOI)**.

One series per hotel:

- Hotel A → HPOT-A series
- Hotel B → HPOT-B series
- Hotel C → HPOT-C series

Each series is independent. Performance of Hotel A doesn't affect Hotel B's distributions.

Swiss Legal Foundation

HPOT is issued as **Registerwertrechte** (registry-recorded rights) under Swiss law:

- **Legal basis:** Swiss Code of Obligations, Art. 973d et seq.
- **Nature:** Contractual rights, **not** equity ownership of the SPV
- **Registry:** Swiss registry for uncertificated securities
- **Administrator:** Fuchs Treuhand AG (licensed Swiss fiduciary)

Why Swiss?

- **Legal clarity:** Well-defined framework for digital contractual rights
 - **Creditor protection:** Strong bankruptcy remoteness doctrine
 - **Regulatory maturity:** Established DLT/blockchain guidance
 - **International recognition:** Swiss legal opinions carry weight globally
-

What You Get

Economic participation:

- Pro-rata share of distributable NOI (after reserves and priorities)
- Distributions declared by fiduciary administrator (typically quarterly)
- Paid in USD (or EUR, depending on series)

Information rights:

- Monthly performance reports (occupancy, revenue, expenses)
- Quarterly financial statements (SPV-level)
- Annual audited reports (where applicable)
- Access to digital twin dashboard (real-time monitoring)

What you DON'T get:

- Ownership of the building (SPV owns it)
 - Control over operations (professional operators manage)
 - Voting rights on business decisions (governance is limited — see §19)
 - Guaranteed distributions (only paid if NOI supports it)
-

Reference Unit: \$1 = 1 HPOT

Each HPOT has a **nominal reference value of USD \$1**.

What this means:

- Hotel worth \$10M → 10M HPOT issued
- You invest \$50K → you receive 50,000 HPOT
- Your share: $50,000 / 10,000,000 = 0.5\%$ of that hotel's NOI

This is NOT a "price" (HPOT doesn't trade like a stock). It's an **accounting reference** for pro-rata calculations.

Secondary market pricing may differ (see §18).

Layer 3: Usage (HRPT + Travel Club)

The Problem with Traditional Ownership

When you own a hotel (or REIT shares), you still pay **full market rates** to stay there.

Example:

- You own 10% of a \$20M hotel
- Market rate: \$200/night
- You pay: \$200/night (same as anyone else)

Your ownership gives you zero usage benefit.

How Homeunity Solves This

HRPT = your **digital membership key** for the Travel Club.

Structural cost pricing:

- No OTA commissions (save 15–25%)
- No bank interest (save 5–8% of property value annually)
- No middleman markup
- Direct access to operator cost structure

Result: Internal rates **50–85% below market**.

Real Example: How Pricing Works

Scenario: 100-room hotel in Prague

Cost structure per night:

- Housekeeping: \$15
- Utilities: \$8
- Supplies (toiletries, linens): \$5
- Proportional staff (front desk, maintenance): \$12
- Proportional overhead (insurance, property tax): \$10
- **Total variable cost: \$50/night**

Market pricing:

- Booking.com rate: \$150/night
- Hotel pays OTA commission (20%): \$30
- Hotel nets: \$120/night

Travel Club pricing:

- **Internal rate: \$60/night**
- Covers: \$50 cost + \$10 contribution to NOI
- **You save: \$90/night** vs. market

Why this works:

- No OTA commission (\$30 saved)
- No debt interest (built into market rates)
- Minimal markup (just cost recovery + small NOI contribution)

You're accessing the hotel at near-cost.

Membership Tiers

HRPT holdings determine your Travel Club tier:

Tier	HRPT Required	Benefits
Starter	1+	Standard internal rates, AI concierge basic
Member	1,000+	5% extra discount, priority booking (48hr window)
Pro	10,000+	10% extra discount, priority booking (7-day window)
Elite	50,000+	15% extra discount, instant confirmation, Premium AI

Total club capacity: 4,475 Elite members maximum (forever).

Early participant bonus: First 500 members get lifetime Premium AI access regardless of tier.

AI Concierge

What it does:

- Destination recommendations based on your preferences
- Price monitoring (alerts when rates drop)
- Optimal booking timing (predictive demand modeling)
- Multi-hotel itinerary planning
- Flight integration (coming 2027)
- Local activity suggestions

Example interaction:

- You: "I want a beach vacation in Europe, mid-May, under \$500 total"

- AI: "Portugal Algarve resort available May 12-15. Internal rate \$55/night × 3 nights = \$165. Flights from Vienna \$180. Recommended activities: surfing lessons (\$60), wine tour (\$45). Total: \$450."
-

Layer 4: Liquidity (Exit Mechanisms)

The Traditional Problem

Real estate is **illiquid**:

- 6–18 months to sell
- High transaction costs (5–10%)
- Market timing risk
- No guaranteed buyer

If you need your money, you're trapped.

Homeunity's Approach

Multiple exit pathways:

Option 1: Secondary Market Transfer (Coming Q4 2026)

- **Peer-to-peer marketplace** for HPOT transfers
- Bid/ask order book
- Registry updates via fiduciary administrator
- **No hotel sale required** (you exit, another participant enters)

How it works:

- You list your HPOT for sale (e.g., 50,000 HPOT-A at \$0.95 per token)
- Buyer purchases through platform
- Transaction recorded in Swiss registry
- You receive USD, buyer receives HPOT

Pricing: Market-determined (may be above or below \$1 reference)

Liquidity: Depends on demand (could be instant or could take weeks)

Option 2: Operator Buyback (Conditional)

- Operator **may** (not required) offer to buy back HPOT
- Typically at **discount to NAV** (e.g., 10–20% below net asset value)
- Only when operator has capital available
- **No guarantee** this option exists

Option 3: Hotel Disposition (Eventual Exit)

- When hotel is sold (typically 7–10 years)
- Disposition proceeds distributed to HPOT holders pro-rata
- After all debts, expenses, and priorities paid
- **Final liquidation** of that series

Example:

- Hotel purchased for \$10M (10M HPOT issued)
- Sold after 8 years for \$14M
- Transaction costs (5%): \$700K
- Net proceeds: \$13.3M
- Your HPOT: 50,000 (0.5% of series)
- Your share: $0.5\% \times \$13.3\text{M} = \mathbf{\$66,500}$
- Your original investment: \$50,000
- **Gain: \$16,500** (33% over 8 years)

Plus you received quarterly distributions during those 8 years.

Why This Four-Layer Design Matters

Flexibility

You can:

- **Participate economically** without owning the building (Layer 2)

- **Use the hotels** without participating economically (Layer 3 only)
- **Exit your participation** without selling the hotel (Layer 4)
- **Diversify across hotels** without buying entire properties (Layer 2 multiple series)

Risk Reduction

- **Bankruptcy isolation:** SPV structure (Layer 1)
- **No forced leverage:** Debt-free model (Layer 1)
- **Portfolio diversification:** Multiple series available (Layer 2)
- **Usage optionality:** Travel Club access independent of HPOT (Layer 3)

Capital Efficiency

- **Lower minimums:** \$1K–10K per series vs. \$1M+ for direct ownership
- **No debt service:** 100% of NOI available (after reserves)
- **No OTA commissions:** Savings passed to participants and Travel Club members

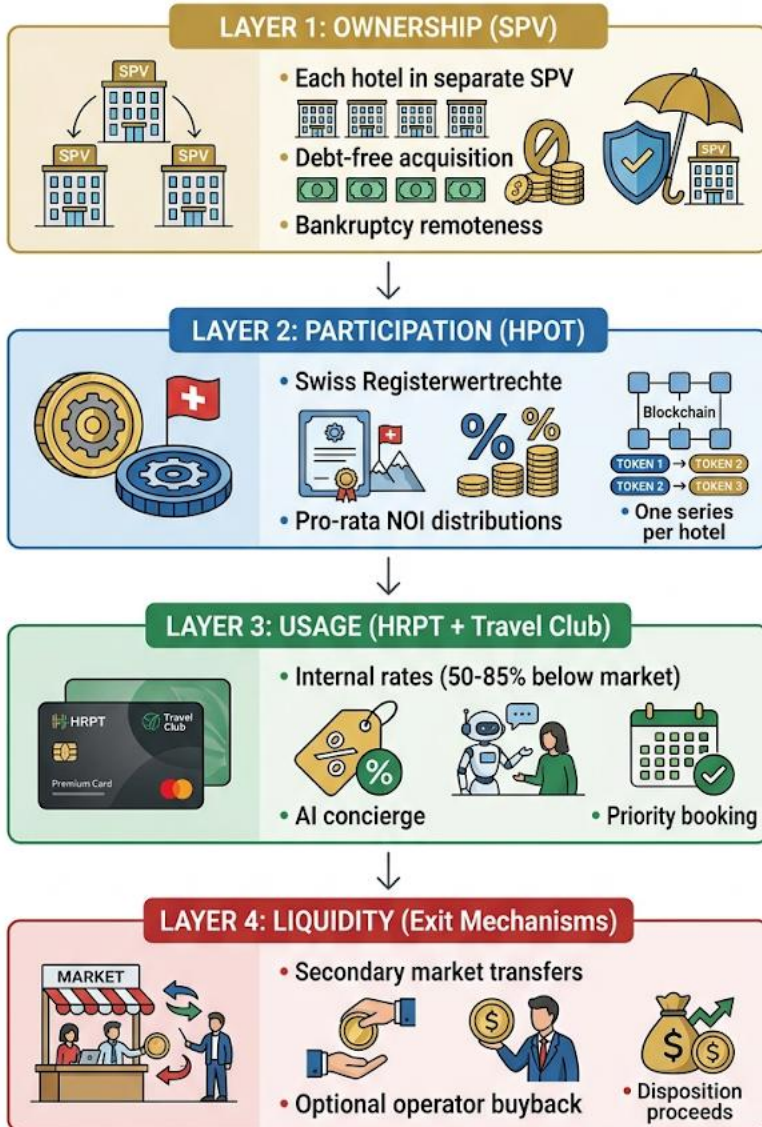
Alignment

- **Operator incentives:** Operator earns fees based on performance (NOI growth)
- **Participant benefits:** Higher NOI = higher distributions
- **Travel Club value:** More hotels = more destinations = higher HRPT utility

Everyone wins when hotels perform well.

Visual Summary: The Four Layers

STRUCTURE OF THE HOTEL OWNERSHIP PROGRAM



Next: Deep dive into the Swiss legal framework and why it enables this structure.

4. LEGAL FRAMEWORK: SWISS STRUCTURE AND BANKRUPTCY REMOTENESS

Why Swiss Law?

Swiss law provides the **legal foundation** for the entire Homeunity structure. Here's why we chose Switzerland:

1. Registerwertrechte Framework (Art. 973d CO)

What it is: A legal category for **contractual rights recorded in a registry** instead of being paper certificates or equity shares.

Key characteristics:

- **Contractual nature:** Rights arise from agreement, not ownership
- **Registry-recorded:** Official Swiss registry for uncertificated securities
- **Transferable:** Can be assigned/transferred according to registry rules
- **Legally recognized:** Established framework with case law and regulatory guidance

Why it matters for HPOT:

- Provides legal certainty (not "tokens in the cloud")
 - Enables transferability without being corporate equity
 - Maintains participant rights even if operator changes
 - Compatible with blockchain representation (on-chain record mirrors registry)
-

2. FINMA Clarity on DLT/Blockchain

FINMA (Swiss Financial Market Supervisory Authority) published guidance on digital assets in

2018 and updated it in 2021.

Key principles:

- **Technology-neutral:** Law applies to economic function, not technology
- **Token classification:** Payment / Utility / Asset (security) tokens
- **DLT-based rights:** Blockchain can be used for rights representation
- **Regulatory clarity:** Clear when securities laws apply vs. when they don't

HRPT classification:

- **FINMA category:** Utility token
- **Function:** Consumptive access to Travel Club services
- **Not a security:** No rights to NOI, no investment return expectations
- **Legal opinion:** Fuchs Treuhand AG confirmed (see legal opinion document)

HPOT classification:

- **FINMA category:** Asset token (represents contractual participation rights)
 - **Swiss law basis:** Registerwertrechte (Art. 973d CO)
 - **Not a collective investment scheme:** Each series is tied to a single asset, not a pooled fund
 - **Regulatory positioning:** Structured to avoid CISA/KAG fund regulations (see §4.4 below)
-

3. Bankruptcy Remoteness Doctrine

Swiss law has **strong creditor segregation** principles.

What this means:

- If SPV A (Hotel A) goes bankrupt, creditors **cannot** reach:
- SPV B (Hotel B)
- Homeunity operating company
- Participant holdings in other series

Legal basis:

- **Separate legal personality:** Each SPV is its own legal entity
- **Piercing corporate veil:** Very narrow exceptions in Swiss law (fraud, abuse of structure)
- **Asset isolation:** Hotel A's liabilities stay with Hotel A

Practical protection:

- Hotel fails → participants in **that series** bear the loss
- Other hotels and participants **unaffected**
- Operating company continues (can manage remaining portfolio)

Caveat: Bankruptcy remoteness is **never absolute**. In extreme cases (fraud, commingling of assets, failure to maintain corporate formalities), courts may disregard separation. We design structures to avoid these risks.

4. Avoiding Collective Investment Scheme Classification

Swiss law regulates **collective investment schemes** (CIS) under **CISA** (Collective Investment Schemes Act) and **CISO** (Ordinance).

What qualifies as CIS:

- Pooled capital from investors
- Managed by third party
- Investment purpose (seeking financial return)
- Investor risk and return shared

Why Homeunity aims to avoid CIS classification:

- **Licensing burden:** CIS requires FINMA license (expensive, time-consuming)
- **Structural restrictions:** Limits on asset types, geographic concentration
- **Distribution rules:** Mandatory waterfall structures, annual distributions
- **Marketing limits:** Cannot publicly solicit in many jurisdictions

How HPOT structure avoids CIS:

CIS Criterion	Homeunity Structure	Why Not CIS
Pooled capital	One SPV per hotel	No pooling — each series is single asset
Third-party management	Operator managed	But series-specific, not pooled fund
Investment purpose	Participation in NOI	Grey area — structured as contractual participation, not "investment fund"
Shared risk/return	Pro-rata per series	But not across series — no

		cross-collateralization
--	--	-------------------------

Legal positioning: Swiss counsel advises structure is **outside CIS scope** because:

No asset pooling: Each HPOT series = one hotel (not a diversified fund)

Direct participation: Registerwertrechte link to specific asset NOI (not fund units)

No portfolio management: Operator doesn't have discretion to trade/rebalance assets

Risk: Regulators could disagree. If FINMA determines this is a CIS, we would need to:

- Apply for FINMA license (6–12 months, significant cost)
- Restructure to comply with CISA/CISO
- Potentially limit distribution to qualified investors only

Mitigation: Ongoing monitoring of regulatory guidance, legal opinions, and potential restructuring plans if classification risk increases.

SPV Structure Deep Dive

How Each Hotel SPV Works

Formation:

New hotel identified for acquisition

Create dedicated SPV (typically Swiss GmbH or Aktiengesellschaft, or EU equivalent)

SPV purchases hotel (debt-free)

SPV engages operator (management agreement)

HPOT series issued for that SPV (via fiduciary administrator)

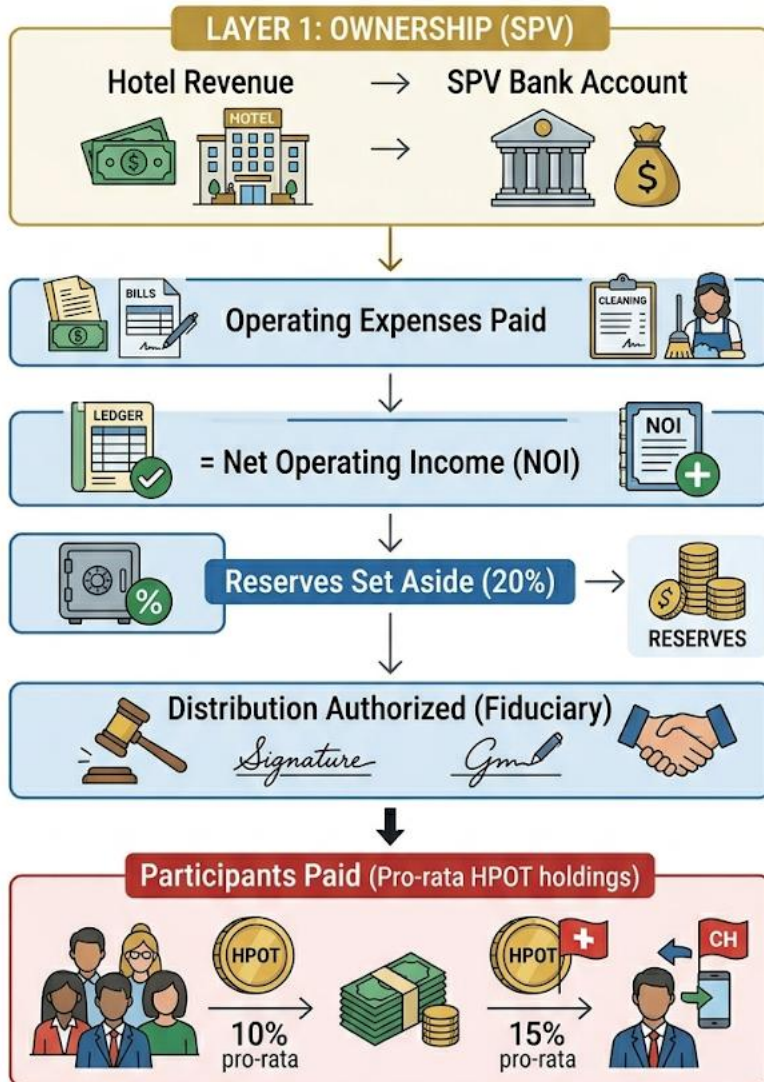
Governance:

- **Board/Management:** Appointed by Homeunity initially
- **Authority limits:** Cannot sell hotel without HPOT holder approval (see §19)
- **Operating agreement:** Defines NOI distribution mechanics

Financial flows:

HOTEL REVENUE DISTRIBUTION PROCESS

Steps from Revenue to Participant Payout



Why Debt-Free Matters (Revisited)

Traditional structure:

- Bank lends \$7M on \$10M hotel (70% LTV)
- Bank has **first lien** on property (secured creditor)
- If hotel fails, bank forecloses → investors get **nothing** until bank is paid in full

Homeunity structure:

- No bank debt = **no secured creditors**
- If hotel fails, liquidation proceeds go to HPOT holders pro-rata (after unsecured liabilities)
- **Higher recovery rate** in downside scenarios

Example liquidation scenario:

Scenario	Traditional (with bank debt)	Homeunity (no debt)
Hotel value (distressed)	\$6M	\$6M
Bank debt outstanding	\$7M (secured)	\$0
Unsecured liabilities	\$500K	\$500K
Available for equity	\$0 (bank shortfall)	\$5.5M
Recovery for investors	0%	55%

Debt-free structure dramatically improves downside protection.

Fiduciary Administrator Role (Fuchs Treuhand AG)

Who They Are

Fuchs Treuhand AG is a licensed Swiss fiduciary services firm based in Lucerne.

Licensing:

- Swiss fiduciary license
- Qualified to act as administrator for Registerwertrechte
- Independent third party (not controlled by Homeunity)

What They Do

Registry administration:

- Maintain official Swiss registry for HPOT series
- Record all transfers, issuances, redemptions
- Provide registry snapshots for distribution calculations

Distribution authorization:

- Review SPV financial statements
- Verify NOI calculations
- Authorize distribution amounts
- Ensure reserves are maintained
- Release payments to participants

Compliance oversight:

- Monitor adherence to participation agreements
- Flag violations or irregularities
- Interface with regulators if needed
- Maintain audit trail

Record-keeping:

- Preserve all transaction records
 - Provide participant statements
 - Produce annual compliance reports
-

What They DON'T Do

Not investment advisors: They don't tell you what to buy

Not operators: They don't manage hotels

Not guarantors: They don't backstop losses

Not your lawyers: They don't provide legal advice to participants

Their duty is to the structure and the registry, not to maximize your returns.

Can the Fiduciary Change?

Yes. The fiduciary administrator can be replaced if:

- They resign
- They lose their license
- Participants vote to replace (see governance in §19)
- Regulator requires a change

Succession plan:

- New fiduciary appointed
- Registry transferred
- Continuity of participant rights maintained

You will receive official notice of any change.

Cross-Border Considerations

Swiss SPV + International Hotels

Typical structure:

- **Hotel location:** EU, UK, or other jurisdiction
- **SPV jurisdiction:** Switzerland (for legal framework benefits)
- **Holding structure:** Swiss SPV owns local subsidiary that owns hotel

Why this works:

- **Swiss law governs** participation agreements (Registerwertrechte)
- **Local law governs** real estate ownership (property title, zoning, taxes)
- **Clean separation:** Registry in Switzerland, property in local market

Example:

- Hotel in Portugal
 - Swiss SPV: Homeunity Portugal SPV AG (Switzerland)
 - Local subsidiary: Algarve Hotel Lda (Portugal)
 - **Swiss SPV owns 100% of Portuguese entity**
 - **Portuguese entity owns the hotel**
 - **HPOT issued by Swiss SPV** (under Swiss law)
-

Tax Considerations

Disclaimer: Tax treatment varies by participant's jurisdiction. **Consult your own tax advisor.**

General principles:

For Swiss SPV:

- Corporate income tax on NOI (Swiss cantonal + federal)
- Treaty benefits may reduce withholding on distributions (depends on participant location)

For participants:

- Distributions likely taxed as income (check local law)
- Potential capital gains on HPOT sale (depends on holding period, jurisdiction)
- Potential deductions for losses (depends on jurisdiction)

Withholding tax:

- Switzerland may withhold tax on distributions (typically 35%)
- Reduced via tax treaty (e.g., 15% for EU residents, 0% in some cases)
- Reclaim procedures vary by jurisdiction

Reporting:

- Swiss SPV provides annual tax statements
- You're responsible for filing in your jurisdiction
- Some jurisdictions require foreign asset disclosure (FATCA, CRS, etc.)

We provide information. You handle compliance.

Regulatory Summary by Jurisdiction

Switzerland

- **HPOT:** Registerwertrechte (Art. 973d CO), likely outside CIS scope
- **HRPT:** Utility token (FINMA guidance)
- **Offering:** Not public solicitation of securities (structured access via HAFS)
- **Compliance:** Ongoing monitoring, legal opinions on file

European Union (Non-Swiss)

- **MiCA (Markets in Crypto-Assets Regulation):** Applies from 2024
- **HPOT status:** May require authorization as crypto-asset (under review)
- **HRPT status:** Utility token, likely exempt
- **Distribution:** Limited to qualified/professional investors in some countries (check local law)

United Kingdom

- **FCA jurisdiction:** Cryptoassets regulatory framework
- **HPOT status:** Potentially regulated token (requires case-by-case review)
- **HRPT status:** Likely outside scope (utility)
- **Distribution:** Restricted to high-net-worth or sophisticated investors (without FCA authorization)

United States

- **HPOT: NOT available to U.S. retail investors**
- **Access:** Only via institutional gateway for Accredited Investors (Rule 501, Regulation D)
- **HRPT:** May be available where Terms of Service explicitly allow (check platform)
- **Securities law:** No registration statement filed (Regulation D / Regulation S exemptions relied upon)

Rest of World

- **Check local law:** Participant responsibility
 - **Common restrictions:** China (PRC), Singapore (retail limits), sanctioned countries
 - **Due diligence:** Platform uses geo-blocking and KYC to enforce restrictions
-

Legal Opinion Summary (HRPT)

A legal opinion dated 19.01.2026 from Fuchs Treuhand AG provides the following analysis of HRPT:

Swiss law classification:

- **DLT-registered right** (Art. 973d CO)
- **FINMA category:** Utility token
- **Not a security** under FIDLEG

U.S. retail compatibility positioning:

- HRPT is a **consumptive digital membership credential**
- **No entitlement** to NOI, profit distributions, or ownership
- **Compliance firewall:** Any yield-linked functionality is segregated (HPOT layer)
- **Anti-speculation:** Not marketed as investment product

Marketing restrictions (Annex B):

- Avoid: "investment returns", "ROI", "income", "profit"
- Avoid: "financial instrument", "yield token"
- Avoid: "token price appreciation", "market upside"
- Avoid: framing HRPT as "bridge" to participation or "entry" into profit-bearing instruments

This opinion is Swiss law only. Not U.S. legal advice.

What This Legal Framework Enables

For participants:

- Clear legal rights (Registerwertrechte)
- Bankruptcy protection (SPV isolation)
- Registry certainty (Swiss fiduciary oversight)
- Regulatory clarity (structured to avoid CIS classification)

For operators:

- Structured access to capital (no bank debt)

- Geographic flexibility (Swiss SPV + international hotels)
- Scalability (replicate structure per hotel)

For the ecosystem:

- Two-token model (HRPT utility / HPOT participation)
- Compliance firewall (separate layers)
- Exit mechanisms (secondary markets, disposition)

All built on a foundation of Swiss legal clarity.

Next: Deep dive into HRPT and the Travel Club — how the usage layer works.

5. HRPT & THE TRAVEL CLUB: YOUR USAGE LAYER

What Is HRPT, Really?

HRPT (Homeunity Protocol Token) is your **digital membership key** for the Homeunity Travel Club.

Think of it like:

- A gym membership card (but on blockchain)
- An airline frequent flyer status (but tokenized)
- A Costco membership (but for hotels at internal rates)

It's NOT:

- Corporate equity
- A share of hotel profits
- An investment security
- Designed for speculation

Legal nature: DLT-registered right under Swiss Code of Obligations (Art. 973d), classified as a

utility token by FINMA.

The Core Value Proposition

You're Tired of Overpaying Booking and Expedia

Traditional booking flow:

- You search Booking.com for a hotel
- You see: \$200/night
- You book and pay \$200

Behind the scenes:

- Hotel receives: \$160 (after 20% OTA commission)
- Booking.com keeps: \$40

You paid full price. Hotel got 80%. Booking.com took 20% for... showing you a search result.

Travel Club Works Differently

We own hotels directly. No middlemen. No OTA commissions. No bank debt.

Our cost structure:

- Housekeeping: \$15/night
- Utilities: \$8/night
- Supplies: \$5/night
- Staff (proportional): \$12/night
- Overhead (proportional): \$10/night
- **Total cost: \$50/night**

Market rate on Booking.com: \$200/night

Travel Club internal rate: \$60/night

You save: \$140/night (70%)

Why so cheap?

- No OTA commission (\$40 saved)
- No bank interest expense (built into market rates)
- Minimal markup (\$10 to contribute to NOI)

You're accessing hotels at near-structural-cost.

What You Get as a Travel Club Member

1. Internal Hotel Rates (50-85% Below Market)

Pricing philosophy: Cost recovery + small NOI contribution.

Example pricing across different hotel types:

Hotel Type	Market Rate	Club Rate	Your Savings
Beach resort (Portugal)	\$180/night	\$60/night	\$120 (67%)
City business hotel (Prague)	\$150/night	\$50/night	\$100 (67%)
Mountain lodge (Swiss Alps)	\$280/night	\$80/night	\$200 (71%)
Budget urban hostel	\$60/night	\$30/night	\$30 (50%)
Luxury boutique hotel	\$400/night	\$150/night	\$250 (63%)

Typical savings range: 50-85% depending on market dynamics, seasonality, and hotel type.

2. AI Concierge (Your Personal Travel Assistant)

What it does:

Destination Discovery

- **Input:** "I want a quiet beach in Europe, not too touristy, under €100/night"
- **Output:** "Algarve, Portugal. Homeunity Beach Resort available. Internal rate €55/night. Low crowds in early June. Recommended."

Price Monitoring

- Track rates across the network
- Alert when prices drop
- Predict optimal booking windows (based on historical demand)

Demand Forecasting

- "Hotel likely to fill up next weekend (music festival). Book now for guaranteed availability."
- "Low occupancy predicted for Tuesday-Thursday. Wait until Monday for potential flash deals."

Itinerary Planning

- Multi-destination trips
- Route optimization
- Activity suggestions

Example multi-stop itinerary:

- **You:** "I have 10 days and \$1,500 budget for Europe"
- **AI:**
- Days 1-3: Prague (City Hotel) — \$50/night × 3 = \$150
- Days 4-6: Vienna (Partner Hotel) — \$60/night × 3 = \$180
- Days 7-10: Algarve (Beach Resort) — \$60/night × 4 = \$240
- **Total accommodation:** \$570
- **Remaining budget for flights/activities:** \$930
- **Suggested flights:** Prague→Vienna (train €30), Vienna→Faro (€120)

Future Features (2027+)

- Flight integration (auto-search, price alerts)

- Restaurant recommendations (partner network)
 - Local experiences (tours, activities)
 - Group travel coordination
-

3. Priority Booking (Tier-Based)

When hotels are in high demand (festivals, holidays, peak season), **regular OTA bookings compete**.

Travel Club members get priority:

Tier	Priority Window	Guarantee Level
Starter	Standard queue	Best-effort availability
Member	48-hour advance window	High priority
Pro	7-day advance window	Very high priority
Elite	Instant confirmation	Guaranteed (except force majeure)

Example scenario:

- **Event:** Oktoberfest in Munich (massive demand)
- **Regular booking (Booking.com):** Hotels fully booked 6 months ahead
- **Travel Club Pro tier:** 7-day priority window → you can book up to 1 week before arrival even if "sold out" to OTAs
- **Travel Club Elite tier:** Instant confirmation → guaranteed room (reserved block for top tier)

How this works:

- Each hotel reserves **5-15% capacity** for Travel Club members
 - Allocation based on tier (higher tiers get first access)
 - If Club members don't book, capacity releases to general market (24-48 hours before arrival)
-

4. No Blackout Dates (Mostly)

Traditional vacation clubs have blackout dates (can't use your "points" during holidays, peak season).

Travel Club philosophy: Internal rates available **year-round** (with rare exceptions).

Exceptions (where blackout dates may apply):

- Major international events (World Cup, Olympics in that city)
- Force majeure (natural disaster, pandemic lockdown)
- Hotel undergoing major renovation (temporarily closed)

Typical availability: 95%+ of year across the network.

Membership Tiers Explained

How Tiers Work

Your tier is determined by **HRPT holdings** (checked in real-time, not snapshot):

HRPT Holdings → Tier Level → Benefits Unlocked

Dynamic tiers: If you sell HRPT, your tier drops. If you buy more, your tier rises. **Instant updates.**

Tier Breakdown

Starter Tier

Requirements:

- Hold 150+ HRPT
- Complete KYC verification

Benefits:

- Access to all Travel Club hotels at internal rates
- AI concierge (basic features)
- Standard booking queue

Cost to enter:

- HRPT price: \$0.15 each
 - Minimum realistic holding: ~150 HRPT = **\$23**
 - **Anyone can join.**
-

Member Tier

Requirements:

- Hold 1,500+ HRPT

Benefits:

- All Starter benefits, plus:
- **5% extra discount** on internal rates
- **48-hour priority booking window**
- AI concierge (enhanced features: price alerts, demand forecasting)

Cost to enter:

- 1,500 HRPT × \$0.15 = **\$230**

Example savings:

- Beach resort internal rate: \$60/night
 - Member discount (5%): \$3/night
 - **You pay: \$57/night**
 - Over a 7-night stay: \$21 saved (14% of your tier entry cost recovered in one trip)
-

Pro Tier

Requirements:

- Hold 15,000+ HRPT

Benefits:

- All Member benefits, plus:
- **10% extra discount** on internal rates
- **7-day priority booking window**
- AI concierge (advanced features: itinerary planning, multi-stop optimization)

Cost to enter:

- 15,000 HRPT × \$0.15 = **\$2,300**

Example savings:

- Beach resort internal rate: \$60/night
 - Pro discount (10%): \$6/night
 - **You pay: \$54/night**
 - Over a 10-night stay: \$60 saved
 - Over 5 trips/year (50 nights): **\$300 saved annually**
-

Elite Tier

Requirements:

- Hold 150,000+ HRPT

Benefits:

- All Navigator benefits, plus:
- **15% extra discount** on internal rates
- **Instant confirmation** (guaranteed room, except force majeure)
- **Premium AI concierge** (priority support, concierge team access, bespoke itineraries)
- **Lifetime Premium AI** (even if you later drop below 150K HRPT, you keep Premium AI)

Cost to enter:

- 150,000 HRPT × \$0.15 = **\$23,500**

Example savings:

- Beach resort internal rate: \$60/night
- Elite discount (15%): \$9/night
- **You pay: \$51/night**
- Over 100 nights/year: **\$900 saved annually**
- **ROI on tier entry:** 8.3 years of breakeven (if you travel this much)

Who this is for:

- Frequent travelers (digital nomads, business travelers)
 - Early supporters (want to lock in lifetime Premium AI)
 - High-volume users (100+ nights/year)
-

Special: Early Participant Bonus

First 1500 Travel Club members (by signup date, not HRPT amount) receive:

- **Lifetime Premium AI access** (regardless of tier)
- **Exclusive early access** to new hotels (7-day advance notice before general club)
- **Founding Member badge** (cosmetic status)

Why we offer this:

- Reward early believers
- Bootstrap network effects (active community from day one)
- Create loyal core user base

Current count: 0 / 1500 (as of April 2026 — platform not yet launched)

Club Capacity: Only 4,475 Elite Members Forever

Why the Cap?

Supply constraint: Hotels have limited rooms.

Math:

- Example portfolio: 3 hotels, 245 rooms total
- Average occupancy target: 80%
- Available nights/year: 245 rooms × 365 days × 80% = **71,540 room-nights**
- Average trips per member: 15 nights/year
- **Maximum sustainable members:** 71,540 / 15 = **4,770**

Buffer for growth: We cap at **4,475** to allow for:

- Higher-frequency users (some members travel 50+ nights/year)
- Seasonal peaks (concentrated demand)
- Operational cushion (overbooking protection)

Once 4,475 Elite members reached: No new memberships.

Scarcity Value

Traditional hotel loyalty programs: Unlimited members (Marriott Bonvoy has 200M+ members).

Result: "Rewards" are diluted, devalued, blackout dates everywhere.

Travel Club: Hard cap creates scarcity.

Effect:

- Your membership becomes more valuable over time (as supply is constrained)
- Hotel availability remains high (no overcrowding)
- Service quality maintained (manageable user base)

HRPT as status asset: Early members benefit from limited supply.

How Internal Pricing Works (Detailed)

Cost-Plus Model

Formula:

$$\text{Club Rate} = \text{Direct Variable Costs} + \text{Proportional Fixed Costs} + \text{Small NOI Contribution}$$

Example breakdown (100-room hotel, full occupancy night):

Direct variable costs (per room):

- Housekeeping labor: \$12
- Linens/towels laundering: \$3
- Toiletries/supplies: \$5
- Utilities (water, electric, AC): \$8
- **Subtotal: \$28**

Proportional fixed costs (per room):

- Front desk staff: \$6 (divided across rooms)
- Maintenance staff: \$4
- Property insurance: \$3
- Property tax: \$5
- Technology (PMS, Wi-Fi): \$2
- Marketing/overhead: \$2
- **Subtotal: \$22**

Total cost per room-night: \$50

NOI contribution (markup): \$10

Club internal rate: \$60

How This Compares to Market Rates

Market rate calculation (same hotel):

Start with cost base: \$50 (same as above)

Add:

- OTA commission (20% of final price): Baked into pricing
- Bank interest expense (proportional): \$15/night
- Management fee (proportional): \$10/night
- Profit margin target: \$25/night

To achieve \$100 NOI/night after OTA commission:

- OTA takes 20% → hotel must price at \$125 to net \$100
- But hotel also needs to cover interest (\$15) + management (\$10)
- Total needed: $\$100 + \$15 + \$10 = \125
- **Add OTA (20%):** $\$125 / 0.8 = \text{\$156 market rate}$

Comparison:

- Market rate: \$156
- Club rate: \$60
- **Savings: \$96 (62%)**

Why the gap?

- No OTA (\$31 saved from market rate)
 - No debt interest (\$15 saved)
 - No management fee (\$10 saved)
 - Lower margin (\$15 saved — Club contributes \$10 vs. market margin \$25)
-

Dynamic Pricing (Future Feature)

Current state (2026): Fixed internal rates per hotel.

Planned (2027): Dynamic pricing based on:

- Demand (occupancy forecast)
- Seasonality (peak vs. off-peak)
- Booking lead time (last-minute vs. advance)
- Member tier (higher tiers get better dynamic rates)

Example dynamic pricing:

- **Base club rate:** \$60/night
- **Off-peak discount (Tuesday in November):** $-\$10 \rightarrow \$50/\text{night}$
- **Peak premium (Saturday in August):** $+\$15 \rightarrow \$75/\text{night}$
- **Still cheaper than market:** Market rate same weekend = \$220/night

Goal: Optimize occupancy + maximize member value.

Travel Club Economics: How Usage Affects NOI

The Paradox

Question: If Club members pay 50-85% below market, doesn't that **reduce** hotel NOI (and therefore HPOT distributions)?

Answer: Not necessarily. Here's why:

Incremental Occupancy

Scenario 1: Without Travel Club

- Hotel relies 100% on OTA bookings (Booking.com, Expedia)
- Off-peak occupancy: 50% (many nights empty)
- Revenue per occupied room (after OTA): \$120
- **Annual NOI:** Mediocre (lots of empty rooms)

Scenario 2: With Travel Club

- OTA bookings: Fill 50% of nights (same as before)
- Club bookings: Fill **another 25%** of nights (incremental)
- Club rate: \$60/night (vs. \$120 OTA net)
- **Annual NOI:** Higher (because empty rooms now generate \$60 instead of \$0)

Math:

- $100 \text{ rooms} \times 365 \text{ days} = 36,500 \text{ room-nights/year}$
- **Without Club:** $50\% \text{ occupancy} \times \$120 \text{ net} = \$2,190,000 \text{ revenue}$
- **With Club:**
- $\text{OTA: } 50\% \times \$120 = \$2,190,000$
- $\text{Club: } 25\% \times \$60 = \$547,500$
- **Total: \$2,737,500** ($+\$547,500 / +25\%$)

Result: NOI increases because Club fills rooms that would otherwise be empty.

Off-Peak Utilization

Traditional hotels suffer from:

- High occupancy in peak season (weekends, holidays, events)
- **Low occupancy in off-peak** (weekdays, shoulder season)

Travel Club provides:

- **Stable demand** from members traveling off-peak (when rates are most attractive)
- **Flexible travelers** (digital nomads, retirees) who avoid crowds

Effect: Smooths occupancy curve → higher annual NOI.

Reduced OTA Dependency

OTA commission creep:

- Booking.com started at 10-15% commission (2010s)
- Now: 18-25% standard (and rising)
- Hotels have no negotiating power (OTAs are oligopoly)

Travel Club provides:

- **Direct bookings** (zero commission)
- **Loyal user base** (repeat customers)
- **Reduced OTA dependence** (less vulnerable to commission hikes)

Long-term NOI protection.

Premium Service Upsells

Club members staying at internal rates are **sticky customers**.

Upsell opportunities:

- Room upgrades (\$20-50/night)
- Spa services
- Restaurant/bar (on-site dining)
- Activities/excursions (partnerships)
- Extended stays (longer trips = more ancillary revenue)

Club members spend more on-site because they saved so much on the room.

Example:

- Regular OTA guest: Pays \$200 for room → tight budget → skips hotel restaurant
- Club member: Pays \$60 for room → extra \$140 in pocket → spends \$50 at hotel bar/restaurant

Net to hotel:

- OTA guest: \$160 (after commission) + \$0 ancillary = \$160
- Club member: \$60 + \$50 ancillary = \$110

Gap narrows. And club member is more likely to return (loyalty).

Long-Term Value

OTA guests: One-time transactions (low loyalty, high churn)

Club members: Repeat customers (lifetime value)

Example customer lifetime value (CLV):

- **OTA guest:** 1.2 stays/lifetime × \$120 net = \$144 CLV
- **Club member:** 8 stays/lifetime × \$60 + \$30 ancillary = \$720 CLV

Club members are 5x more valuable over time.

How to Become a Member

Step 1: Acquire HRPT

Where to buy:

- Primary issuance: Homeunity platform (initial distribution)
- Secondary markets: DEX (PancakeSwap on BSC) or future internal marketplace

Price:

- Initial offering: **\$0.15 per HRPT**
- Secondary market: Variable (may trade above/below based on demand)

Minimum: No official minimum, but realistically 150+ HRPT recommended for meaningful tier benefits.

Step 2: Complete KYC

Why KYC is required:

- Regulatory compliance (AML/CFT)
- Prevent fraud and abuse
- Enable travel booking (passport/ID verification)

What you need:

- Government-issued ID (passport or national ID card)
- Proof of address (utility bill, bank statement <3 months old)
- Selfie for liveness check

Process:

- Submit documents via platform
- Automated verification (1-24 hours)
- Manual review if needed (24-48 hours)
- Approval → Travel Club activated

Privacy: KYC data handled by licensed third-party provider (compliant with GDPR/data protection laws). **Not** stored on-chain.

Step 3: Book Your First Stay

Booking flow:

- Log into Travel Club portal
- Search destination/dates
- See available hotels + internal rates (with your tier discount applied)
- AI concierge suggestions (optional)
- Confirm booking
- Receive confirmation email

Payment:

- Credit/debit card (standard)
- Crypto (BTC, ETH, USDT, USDC) via payment processor
- Fiat wire transfer (for longer stays)

Cancellation policy:

- Free cancellation up to 48 hours before check-in (standard tier)
 - Free cancellation up to 24 hours (Explorer+)
 - Instant confirmation bookings: 72-hour cancellation window (Pioneer tier)
-

HRPT Token Economics

Supply

Total supply: 671,353,987 HRPT total

Distribution plan (illustrative):

- Public sale: 40%
- Early participants / airdrop: 10%
- Team / advisors: 15% (vested over 10 years)
- Treasury / ecosystem development: 20%
- Liquidity provision: 10%

- Strategic partners: 5%

Vesting: Team/advisor tokens locked for 12 months, then released linearly over 120 months.

Demand Drivers

What creates HRPT demand:

Travel Club utility: More hotels → more destinations → higher HRPT value

Tier upgrades: Members buy more HRPT to reach next tier

Scarcity: Only 4,475 Elite members max → limited demand pool, but high value per member

Network effects: More members → more community, better AI training data, enhanced features

What does NOT drive demand:

- Speculation on "price going up" (we actively discourage this)
 - Promises of financial returns (HRPT has **zero** claim to NOI)
-

HRPT is NOT an Investment

Legal positioning:

- **Utility token** (consumptive use)
- **No profit rights** (no NOI, no dividends)
- **No governance rights** (you can't vote on hotel purchases)

Marketing compliance:

- We do **not** say: "HRPT will increase in value"
- We do **not** say: "Buy HRPT to make money"
- We **do** say: "HRPT unlocks Travel Club benefits"

Why this matters:

- Avoids securities classification in most jurisdictions
- Allows broader distribution (including potential U.S. retail access)

- Focuses on actual utility (not speculation)

If you buy HRPT hoping price goes up, you're doing it wrong.

Buy HRPT if you want to travel and save money.

HRPT vs. HPOT: Clear Separation

Feature	HRPT	HPOT
Purpose	Travel Club access	Economic participation in hotel NOI
Legal nature	Utility token	Registerwertrechte (contractual rights)
Claim to NOI	None	Pro-rata distributions
Usage rights	Yes (internal hotel rates)	No (HPOT doesn't grant usage)
Who can hold	Anyone (subject to Terms)	Non-U.S. retail / U.S. Accredited only
Price reference	Market-determined (secondary trading)	\$1 per HPOT (accounting reference)
Transferable	Yes (freely tradable)	Yes (via registry, secondary market)
Speculation	Discouraged	Expected (it's a financial participation)

You can hold one without the other:

- HRPT only: You travel, no economic participation
- HPOT only: You get distributions, but pay market rates for hotels
- Both: You travel at internal rates **and** participate in NOI

Most participants will want both.

Risks Specific to HRPT / Travel Club

1. Hotel Network Doesn't Scale

Risk: We acquire only 2-3 hotels → limited destinations → low utility.

Impact: HRPT value stays low (not enough travel options to justify holding)

Mitigation: Roadmap targets 10+ hotels by 2028 across 5+ countries (see §20)

2. Membership Cap Reached Early

Risk: 4,475 members reached quickly → no new memberships → HRPT becomes useless for new buyers.

Impact: Secondary market HRPT price could spike (scarcity premium) or collapse (no new entrants)

Mitigation:

- Gradual onboarding (control growth rate)
-

3. Travel Club Bookings Cannibalize OTA Revenue

Risk: Too many Club bookings → hotel NOI declines → HPOT distributions suffer.

Impact: Conflict between HRPT utility (cheap travel) and HPOT value (high NOI)

Mitigation:

- Reserve allocation limits (only 5-15% of capacity for Club)
 - Dynamic pricing to optimize total revenue
 - Focus on incremental occupancy (filling empty rooms, not displacing high-value OTA bookings)
-

4. Regulatory Reclassification

Risk: Regulator decides HRPT is actually a security (despite utility token positioning).

Impact:

- Distribution restrictions
- Potential forced redemption
- Legal/compliance costs

Mitigation:

- Legal opinions on file (Fuchs Treuhand AG)
 - Conservative marketing (no "investment" language)
 - Ongoing monitoring and legal counsel
-

5. Technology Failures

Risk: Booking platform crashes, AI concierge malfunctions, blockchain infrastructure fails.

Impact: Members can't book hotels → utility value drops to zero during outage

Mitigation:

- Redundant systems (backup booking portal)

- Manual fallback (phone/email booking)
 - Insurance for technology failures (where available)
-

Summary: Why HRPT Matters

HRPT separates usage from participation.

You don't need to be a "hotel investor" to benefit from the ecosystem. You can simply join the Travel Club, travel often, save massively, and enjoy the network.

This is the accessible entry point for regular people who just want cheaper, better travel.

Next: HPOT — the economic participation layer for those who want exposure to hotel NOI.

6. HPOT: YOUR PARTICIPATION LAYER (PER-ASSET SERIES)

What Is HPOT?

HPOT (Homeunity Participation Object Token) represents your **contractual participation** in a specific hotel's **Net Operating Income (NOI)**.

Key characteristics:

- **One series per hotel** (HPOT-A for Hotel A, HPOT-B for Hotel B, etc.)
- **Swiss Registerwertrechte** (registry-recorded contractual rights under Art. 973d CO)
- **Reference unit:** \$1 per HPOT (accounting convention, not market price)

- **Distributions:** Pro-rata share of distributable NOI (when and if declared)

What you're buying: A legal claim to cash flows from hotel operations.

What you're NOT buying: The hotel building itself (SPV owns it).

How HPOT Series Work

One Hotel = One Series

Each hotel gets its **own HPOT series**, isolated from others.

Example:

- **Hotel A** (Beach Resort, Portugal) → **HPOT-A** series (10M tokens)
- **Hotel B** (City Hotel, Prague) → **HPOT-B** series (15M tokens)
- **Hotel C** (Mountain Lodge, Swiss Alps) → **HPOT-C** series (12M tokens)

Each series:

- Tied to **one SPV** (one legal entity)
- Participates in **one hotel's NOI** (no cross-collateralization)
- Managed by **one fiduciary registry** (Swiss administrator)

Why this matters:

- **Isolation:** Hotel A's failure doesn't affect Hotel B or C participants
 - **Transparency:** You know exactly which asset you're in
 - **Diversification:** You can choose which hotels to participate in (build your own portfolio)
-

Issuance: How HPOT Comes into Existence

Process:

Hotel acquisition

- Homeunity identifies hotel for purchase
- Due diligence (inspections, appraisals, legal review)
- Acquisition price determined (e.g., \$10M)

SPV formation

- Create dedicated legal entity (Swiss GmbH or AG)
- SPV purchases hotel (debt-free, using participant capital)

HPOT series created

- Fiduciary administrator (Fuchs Treuhand AG) creates registry entry
- **Total HPOT issued = acquisition price** (e.g., \$10M acquisition → 10M HPOT)
- Registry records series on Swiss uncertificated securities registry

Distribution to participants

- Participants onboarded via **HAFS** (Homeunity Asset Facilitation System — see §12)
- KYC/AML verification
- Payment received (USD or crypto equivalent)
- HPOT allocated to participant wallets
- Registry updated with holdings

Blockchain representation

- HPOT series minted on BSC (Binance Smart Chain)
- On-chain token **mirrors** Swiss registry (registry is source of truth)
- Enables easy transfers, trading, wallet integration

Reference Unit: \$1 = 1 HPOT

This is an accounting convention, not a market price.

What it means:

- Hotel worth \$10M → 10M HPOT issued
- Your participation: \$50K → 50,000 HPOT received
- Your pro-rata share: $50,000 / 10,000,000 = 0.5\%$ of NOI

This is NOT:

- A "price" (HPOT doesn't trade at exactly \$1)
- A redemption guarantee (SPV won't buy back at \$1)
- A NAV (net asset value) — though it approximates initial NAV

Why use \$1 reference:

- **Simple math:** Easy to calculate your percentage (your HPOT ÷ total HPOT)
 - **Accounting clarity:** Distributions calculated cleanly
 - **Industry standard:** Similar to REITs, private equity fund units
-

What HPOT Entitles You To

1. Pro-Rata Share of Distributable NOI

Formula:

$$\text{Your Distribution} = (\text{Your HPOT} / \text{Total HPOT}) \times \text{Distributable Amount}$$

Example:

- Hotel NOI (quarterly): \$100,000
- Reserves set aside (20%): \$20,000
- **Distributable amount:** \$80,000
- Your HPOT: 50,000 (0.5% of 10M series)
- **Your distribution:** 0.5% × \$80,000 = **\$400**

Distributions are declared by the fiduciary administrator (typically quarterly).

Not guaranteed. If NOI is insufficient or reserves need replenishing, distributions may be reduced or skipped.

2. Information Rights

As a HPOT holder, you receive:

Monthly performance reports:

- Occupancy rate (%)
- Revenue (gross)
- Operating expenses (breakdown)

- NOI (calculated)

Quarterly financial statements:

- SPV-level balance sheet
- Income statement
- Cash flow statement
- Reserve fund status

Annual audited reports:

- Full financial audit (for larger hotels / series)
- Third-party verification
- Regulatory compliance certifications

Real-time dashboard access:

- Digital twin monitoring (see §15)
 - Occupancy trends
 - Booking pace
 - Comparative metrics (vs. market)
-

3. Limited Governance Rights

What you CAN vote on:

- **Hotel disposition** (sale of the property) — requires supermajority (e.g., 75% of HPOT holders)
- **Extraordinary actions** (major renovations, change of use, refinancing if ever considered)
- **Fiduciary administrator replacement** (if performance is poor or misconduct)

What you CANNOT vote on:

- Day-to-day operations (operator has discretion)
- Hiring/firing hotel staff
- Pricing strategy (operator decides)
- Which OTAs to use
- **Most business decisions** (you're a passive participant, not a manager)

See §19 for full governance details.

4. Disposition Proceeds (When Hotel Sells)

When the hotel is eventually sold (typically 7-10 years after acquisition), proceeds flow to HPOT holders **after**:

- Transaction costs (broker fees, legal, transfer taxes)
- Outstanding liabilities (unpaid bills, taxes, etc.)
- Reserve fund obligations (if any contractual commitments)

Your share = (Your HPOT / Total HPOT) × Net Disposition Proceeds

Example:

- Hotel purchased: \$10M (10M HPOT issued)
- Sold after 8 years: \$14M
- Transaction costs (5%): \$700K
- Net proceeds: \$13.3M
- Your HPOT: 50,000 (0.5%)
- **Your disposition share: \$66,500**

Plus all the quarterly distributions you received over 8 years.

What HPOT Does NOT Give You

Not Ownership

You do not own the hotel building. The SPV owns it.

You own: Contractual rights to cash flows (Registerwertrechte).

Distinction matters:

- You can't show up and demand keys
- You can't prevent the operator from running the hotel
- You can't force a sale (unless governance threshold reached)

But you DO have:

- Legal claim to distributions
- Information rights
- Limited veto rights on major decisions

Not Corporate Equity

HPOT is not a share in the SPV.

Difference:

- **Corporate share:** Gives you voting rights, board representation, residual claim on all assets
- **HPOT:** Gives you contractual claim to NOI distributions (no board, no general voting)

Why this structure?

- **Regulatory:** Easier to position outside collective investment scheme classification
 - **Operational:** Operator can run business without constant shareholder interference
 - **Simplicity:** No corporate governance overhead (no AGMs, no proxy voting)
-

Not a Guaranteed Return

NOI varies. Hotels are cyclical businesses.

You could receive:

- **Good years:** \$2,000 quarterly distribution
- **Bad years:** \$500 quarterly distribution (or zero)

Distributions depend on:

- Occupancy rates
- Average daily rate (ADR)
- Operating expenses
- Seasonality
- Economic conditions
- Competition
- Management quality

No floor, no ceiling.

Not Liquid (Initially)

Primary issuance: You receive HPOT via HAFS after onboarding (see §12).

Secondary market: Not available at launch (coming Q4 2026 — see §18).

Until secondary market launches:

- You're **locked in** (no easy exit)
- Only exit: Wait for hotel disposition (years away)
- Or: Private sale (find buyer yourself, registry transfer via fiduciary)

Illiquidity risk is real.

Series Economics: What Drives Your Returns

Distribution Formula

Distributable Amount = NOI - Reserves - Priority Payments

Then:

Your Distribution = (Your HPOT / Total HPOT) × Distributable Amount

Let's unpack this.

NOI (Net Operating Income)

Formula:

$$\text{NOI} = \text{Total Revenue} - \text{Operating Expenses}$$

Revenue includes:

- Room revenue (OTA bookings + Travel Club bookings)
- F&B revenue (restaurant, bar, room service — if applicable)
- Ancillary revenue (spa, parking, laundry, etc.)

Operating Expenses include:

- Staff salaries and benefits
- Utilities (electric, water, gas, internet)
- Supplies (linens, toiletries, cleaning supplies)
- Maintenance and repairs
- Property insurance
- Property taxes
- Technology (PMS, booking systems, cybersecurity)
- Marketing (website, SEO, ads — excluding OTA commissions which are deducted from revenue directly)

NOI does NOT include:

- Depreciation (non-cash accounting)
- Bank interest (we have no debt)
- Corporate income tax (SPV handles separately)
- Capital expenditures (funded from reserves — see below)

See §7 for detailed NOI breakdown.

Reserves (20% of NOI)

Purpose: Set aside funds for:

- **Capital expenditures** (CapEx): Renovations, furniture replacement, major repairs
- **Rainy day fund:** Cover operating shortfalls in bad years
- **Unforeseen expenses:** Emergency repairs, regulatory compliance costs

Standard reserve rate: 20% of quarterly NOI

Example:

- Quarterly NOI: \$100,000
- Reserve allocation: \$20,000 (20%)
- **Distributable before priorities:** \$80,000

Reserve fund management:

- Held in separate SPV bank account
- Overseen by fiduciary administrator
- Spent only for approved purposes (CapEx, shortfall coverage)
- Excess reserves (if fund grows beyond target) may be released for distribution

Target reserve balance: Typically 10-15% of hotel value (to cover 1-2 years of CapEx needs).

Priority Payments

Before HPOT holders get paid, certain parties have priority claims:

Operator management fee (if structured as priority)

- Typically 3-5% of revenue (in traditional structures)
- **Homeunity model:** Operator fee may be **subordinated** to participant distributions (alignment of interests)
- Details vary per hotel / series (see asset factsheet)

Fiduciary administrator fee

- Registry maintenance
- Compliance oversight
- Distribution processing
- Typically: **0.25% - 0.5% of total HPOT issuance annually** (e.g., \$25K-50K/year for \$10M series)

Platform fee (Homeunity ecosystem)

- Technology infrastructure (blockchain, monitoring, reporting)
- Typically: **0.5% - 1% of total HPOT issuance annually**

Total priority fees: Approximately **1% - 2% of series value annually** (much lower than traditional fund management fees of 2-3%+).

After priorities:

Distributable to HPOT Holders = NOI - Reserves - Priority Fees

Example Distribution Calculation (Full Year)

Assumptions:

- Hotel: \$10M acquisition (10M HPOT issued)
- Your holding: 50,000 HPOT (0.5%)

Annual performance:

- Revenue: \$2,000,000
- Operating expenses: \$1,200,000
- **NOI: \$800,000**

Deductions:

- Reserves (20%): \$160,000
- Fiduciary fee (0.35%): \$35,000
- Platform fee (0.75%): \$75,000
- **Total deductions: \$270,000**

Distributable to HPOT holders:

$$\$800,000 - \$270,000 = \$530,000$$

Your annual distribution:

$$0.5\% \times \$530,000 = \$2,650$$

Your yield (on \$50K investment):

$$\$2,650 / \$50,000 = 5.3\% \text{ annually}$$

Quarterly distribution: $\$2,650 / 4 = \sim\662 per quarter

Yield Variability

Year 1 (strong tourism year):

- NOI: \$900,000 → Distributable: \$600,000 → Your share: \$3,000 (**6% yield**)

Year 2 (recession, low occupancy):

- NOI: \$500,000 → Distributable: \$330,000 → Your share: \$1,650 (**3.3% yield**)

Year 3 (pandemic, hotel closed 3 months):

- NOI: \$200,000 → Distributable: \$100,000 → Your share: \$500 (**1% yield**)

Volatility is real. This is not a bond with fixed coupon.

Diversification: Building a Multi-Series Portfolio

Why Hold Multiple Series

Risk reduction:

- **Geographic diversification:** Beach resort (Portugal) + City hotel (Prague) + Mountain lodge (Swiss Alps)
- **Seasonal offset:** Beach peaks in summer, Mountain lodge peaks in winter
- **Economic hedge:** Business hotels less sensitive to leisure demand (and vice versa)

Example portfolio:

Hotel	Series	Your Investment	Your HPOT	Expected Yield
Portugal Beach Resort	HPOT-A	\$20,000	20,000	6-8%
Prague City Hotel	HPOT-B	\$25,000	25,000	5-7%
Swiss Mountain Lodge	HPOT-C	\$15,000	15,000	7-9%
Total	—	\$60,000	60,000	6-8% blended

Blended returns smooth out volatility.

Bad year for beach tourism? Prague and Swiss Alps might compensate.

Pandemic closes Swiss border? Portugal and Prague still operational.

Concentration Risk

Avoid:

- 100% in one series (all eggs in one basket)
- All hotels in same country (regulatory risk, currency risk)
- All hotels same type (business vs. leisure)

Ideal allocation (for most participants):

- **3-5 different series**
- **2-3 different countries**
- **Mix of hotel types** (city, beach, mountain, etc.)

Minimum per series: Most series require **\$1,000 - \$10,000 minimum** (depending on hotel size and issuance).

HPOT vs. Traditional Hotel Investment

Comparison Table

Feature	Traditional (direct ownership)	HPOT Series
Minimum investment	\$5M - \$50M	\$1,000 - \$10,000

Ownership	You own building (via entity)	SPV owns, you have contractual rights
Leverage	60-75% bank debt (forced)	0% debt (by design)
Diversification	One hotel (concentrated)	Multiple series (diversified)
Liquidity	6-18 months to sell	Secondary market (planned Q4 2026)
Management burden	Hire operator (3-5% fees + oversight)	Operator pre-engaged (streamlined)
Fees	3-7% annually (management, admin, legal)	1-2% annually (platform + fiduciary)
Usage rights	Pay market rates (no discount)	Travel Club internal rates (if hold HRPT)
Information rights	Full transparency (you're owner)	Monthly/quarterly reports (contractual)
Governance	Full control (you're owner)	Limited veto rights (major decisions only)
Bankruptcy protection	Depends on structure	SPV isolation (bankruptcy remoteness)
Exit options	Sell entire hotel (illiquid)	Sell HPOT on secondary market (more liquid)

HPOT trades some control for accessibility, diversification, and lower capital requirements.

Who Should Hold HPOT?

Good Fit

- **Accredited investors** (or non-U.S. retail where permitted)

- **Long-term horizon** (5-10 years minimum)
 - **Comfortable with illiquidity** (until secondary market matures)
 - **Want hotel exposure** without buying entire properties
 - **Understand NOI volatility** (not seeking bond-like stability)
 - **Diversification seekers** (want multiple hotels, not single asset)
-

Not a Good Fit

- **Need guaranteed returns** (HPOT distributions vary with NOI)
 - **Need liquidity** (can't sell easily until Q4 2026+)
 - **Short-term traders** (this is not a day-trading token)
 - **Risk-averse** (hotels can fail, NOI can drop to zero)
 - **U.S. retail investors** (access restricted — see disclaimer)
-

HPOT Issuance via HAFS (Preview)

HAFS = Homeunity Asset Facilitation System.

What it is: Onboarding and issuance platform for HPOT series.

How it works (simplified):

- Choose hotel series (view asset factsheet)
- Indicate participation amount (e.g., \$10,000)
- Complete verification (KYC/AML + suitability check)
- Submit HRPT allocation
- Receive HPOT allocation (credited to your wallet)
- Registry updated (Swiss fiduciary records your holding)

Not a "retail buy button." HAFS includes:

- Suitability screening (are you qualified to participate?)
- Risk disclosure acknowledgment

- Jurisdiction checks (are you in a permitted country?)
- Anti-speculation guardrails (see §12)

See §12 for full HAFS deep dive.

Risks Specific to HPOT

1. Hotel Underperformance

Risk: NOI lower than projected (low occupancy, high expenses, competition).

Impact: Distributions reduced or suspended.

Mitigation: Diversify across series, choose hotels with strong fundamentals (location, operator track record).

2. Operator Mismanagement

Risk: Hotel operator makes poor decisions (overstaffing, bad marketing, deferred maintenance).

Impact: NOI declines, property value deteriorates.

Mitigation:

- Digital twin monitoring (flags performance issues — see §15)
 - Operator has reputational stake (mismanagement hurts their future business)
 - Governance rights allow removal in extreme cases (see §19)
-

3. Illiquidity

Risk: You need money back, but secondary market has no buyers.

Impact: You're stuck holding HPOT until hotel sells (years away).

Mitigation:

- Only invest capital you can afford to lock up
 - Wait for secondary market to mature before assuming liquidity
-

4. Regulatory Reclassification

Risk: Swiss or other regulators determine HPOT is a collective investment scheme (requires fund license).

Impact: Potential restructuring, forced redemption, or distribution limits.

Mitigation:

- Structure designed to avoid CIS classification (single asset per series)
 - Legal opinions on file
 - Ongoing regulatory monitoring
-

5. Disposition Loss

Risk: Hotel sells at a loss (purchased for \$10M, sells for \$7M after costs).

Impact: Your disposition proceeds are less than initial investment.

Mitigation:

- Choose hotels with strong long-term value (location, quality)
 - Hold through cycles (avoid forced sale in downturn)
-

6. Currency Risk

Risk: Hotel operates in EUR, you're paid in USD (or vice versa).

Impact: Exchange rate fluctuations affect your returns.

Mitigation:

- Diversify across currencies (some hotels in USD markets, some in EUR)
 - Hedge if you're sophisticated (currency forwards/options)
-

7. Series Concentration

Risk: You hold 100% of your capital in one HPOT series.

Impact: If that hotel fails, you lose everything.

Mitigation: **Diversify.** Hold 3-5 different series minimum.

Summary: HPOT as Economic Participation

HPOT is for participants who want:

- Exposure to hotel NOI (not just usage)
- Distributions from real asset cash flows
- Diversification across multiple hotels
- Structured participation without full ownership burden

It's not for:

- Risk-averse investors seeking guarantees
- Short-term traders
- Those who need liquidity on demand

Combined with HRPT (Travel Club), HPOT creates a complete ecosystem:

- **HRPT:** You travel cheaply
- **HPOT:** You participate in the economics

Next: Understanding what drives NOI — the engine behind your distributions.

7. UNDERSTANDING NOI: WHAT DRIVES YOUR DISTRIBUTIONS

What Is NOI?

NOI = Net Operating Income

Simple definition: What the hotel earns after paying operating expenses, but **before** financing costs, taxes, and capital expenditures.

Formula:

$$\text{NOI} = \text{Total Revenue} - \text{Operating Expenses}$$

Why it matters: NOI is the **source of your distributions**. Higher NOI = higher distributions (after reserves and priorities).

Breaking Down Revenue

Revenue Sources

Hotels generate money from multiple streams:

1. Room Revenue (Primary — 70-85% of total)

Components:

- **OTA bookings** (Booking.com, Expedia, etc.)
 - Gross room rate: \$200
 - OTA commission (20%): -\$40
 - **Net to hotel: \$160**
- **Direct bookings** (hotel website, phone)
 - Gross room rate: \$200
 - No commission
 - **Net to hotel: \$200**
- **Travel Club bookings**
 - Internal rate: \$60
 - No commission
 - **Net to hotel: \$60**

Key metric: Revenue Per Available Room (RevPAR)

$$\text{RevPAR} = \text{Average Daily Rate (ADR)} \times \text{Occupancy Rate}$$

Example:

- ADR: \$180 (average price per occupied room)
- Occupancy: 75% (rooms filled)
- **RevPAR: $\$180 \times 0.75 = \135**

RevPAR is the single most important performance metric for hotels.

2. Food & Beverage (F&B) Revenue (If Applicable — 10-20%)

Sources:

- Restaurant (breakfast, lunch, dinner)
- Bar / lounge
- Room service
- Catering (events, weddings, conferences)

Margins:

- F&B typically has **lower margins** than rooms (30-40% vs. 70-80%)
- Labor-intensive (chefs, servers, bartenders)
- Inventory spoilage (food waste)

Not all hotels have F&B:

- Budget hotels: Often no restaurant (guests eat elsewhere)
 - Business hotels: Usually have breakfast + bar minimum
 - Resorts: Full restaurant, multiple outlets
-

3. Ancillary Revenue (5-10%)

Other sources:

- Spa services
- Parking fees
- Laundry services
- Minibar sales
- Wi-Fi upgrades (premium speeds)
- Early check-in / late checkout fees
- Pet fees
- Resort fees (in some markets)

Margins:

- Highly variable (parking = high margin, spa = lower margin)
 - Often outsourced (third-party spa operator, for example)
-

Total Revenue Example (100-Room Hotel, Annual)

Revenue Source	Calculation	Amount	% of Total
Room revenue	100 rooms × \$150 ADR × 75% occ × 365 days	\$4,106,250	82%
F&B revenue	Average \$15/occupied room × 27,375 room-nights	\$410,625	8%
Parking	40 spaces × \$20/day × 80% utilization × 365	\$233,600	5%
Other ancillary	Various	\$250,000	5%
Total Revenue	\$5,000,475	100%	

This is gross revenue before any deductions.

Breaking Down Operating Expenses

Expense Categories

Operating expenses include **everything needed to run the hotel day-to-day**, excluding financing and capital improvements.

1. Rooms Department (30-40% of revenue)

Components:

- **Housekeeping labor** (cleaning rooms)

- Housekeepers: ~15-20 minutes per room
- Supervisors, inspectors
- Laundry staff (if in-house)
- **Front desk / reception**
- Receptionists (24/7 coverage)
- Concierge
- Bellhops / porters
- **Supplies**
- Linens, towels (replacement + laundering)
- Toiletries (shampoo, soap, etc.)
- Cleaning supplies
- In-room amenities (coffee, tea, bottled water)

Example (100-room hotel):

- Housekeeping: \$450,000/year
 - Front desk: \$300,000/year
 - Supplies: \$150,000/year
 - **Total Rooms Department: \$900,000** (18% of \$5M revenue)
-

2. Food & Beverage Department (If Applicable — 60-70% of F&B revenue)

Higher expense ratio than rooms because F&B is labor- and cost-intensive.

Components:

- Kitchen staff (chefs, cooks, dishwashers)
- Service staff (servers, bartenders, hosts)
- Food costs (ingredients)
- Beverage costs (alcohol, soft drinks, coffee)
- Kitchen supplies (plates, utensils, napkins)

Example:

- F&B revenue: \$410,625
- F&B department expenses: \$280,000 (68% of F&B revenue)
- **F&B departmental profit: \$130,625**

Many budget hotels skip F&B entirely because margins are thin and operations are complex.

3. Utilities (5-8% of revenue)

Components:

- Electricity (HVAC, lighting, kitchen equipment)
- Water / sewage
- Gas (heating, hot water)
- Internet / telecom

Variability:

- **Seasonal:** A/C costs spike in summer, heating in winter
- **Occupancy-dependent:** Higher occupancy = higher utility usage
- **Geographic:** Energy costs vary widely by country/region

Example:

- Electricity: \$120,000/year
 - Water/sewage: \$40,000/year
 - Gas: \$30,000/year
 - Internet/telecom: \$20,000/year
 - **Total Utilities: \$210,000** (4.2% of \$5M revenue)
-

4. Maintenance & Repairs (3-5% of revenue)

Components:

- Preventive maintenance (HVAC servicing, plumbing checks, electrical inspections)
- Reactive repairs (broken fixtures, leaks, equipment failures)
- Groundskeeping / landscaping (if applicable)
- Pest control
- Pool maintenance (if applicable)

Maintenance staff:

- In-house team (general maintenance, handymen)
- Outsourced specialists (HVAC technician, electrician, plumber)

Example:

- In-house maintenance team: \$120,000/year
 - Supplies + outsourced repairs: \$80,000/year
 - **Total Maintenance: \$200,000** (4% of \$5M revenue)
-

5. Property Taxes & Insurance (3-5% of revenue)

Property taxes:

- Based on assessed value (varies by jurisdiction)
- Typically 0.5% - 2% of property value annually
- Example: \$10M hotel × 1.5% = **\$150,000/year**

Insurance:

- Property insurance (fire, natural disaster, theft)
- Liability insurance (guest injuries, lawsuits)
- Business interruption insurance (covers lost revenue during closures)
- Workers' compensation (employee injuries)

Example:

- Property tax: \$150,000/year
 - Insurance premiums: \$80,000/year
 - **Total: \$230,000** (4.6% of \$5M revenue)
-

6. Marketing & Distribution (5-10% of revenue)

Components:

- **OTA commissions** (15-25% of OTA bookings — deducted from revenue directly, but sometimes categorized here)
- Hotel website (hosting, SEO, maintenance)
- Paid advertising (Google Ads, Facebook, Instagram)
- Photography / videography (professional property shots)
- Reputation management (responding to reviews, monitoring)
- Social media management
- Email marketing tools
- Channel manager software (synchronizes inventory across OTAs)

Example:

- OTA commissions: Already deducted from room revenue
 - Website + SEO: \$30,000/year
 - Paid ads: \$50,000/year
 - Software + tools: \$20,000/year
 - **Total Marketing: \$100,000** (2% of \$5M revenue)
-

7. Administrative & General (A&G) (5-8% of revenue)

Components:

- General manager salary
- Accounting / bookkeeping
- HR / payroll administration
- Legal / compliance
- IT support (PMS, cybersecurity, hardware)
- Office supplies
- Bank fees, credit card processing fees

Example:

- GM + admin staff: \$180,000/year
 - Accounting + legal: \$60,000/year
 - IT + software: \$40,000/year
 - Other: \$20,000/year
 - **Total A&G: \$300,000** (6% of \$5M revenue)
-

8. Other Operating Expenses

Components:

- Training (staff development, certifications)
- Licenses & permits (business license, liquor license, health permits)
- Uniforms (front desk, housekeeping)
- Guest amenities (welcome gifts, newspapers, etc.)
- Miscellaneous

Example: \$80,000/year (1.6% of \$5M revenue)

Total Operating Expenses (Annual Example)

Expense Category	Amount	% of Revenue
Rooms Department	\$900,000	18%
F&B Department	\$280,000	5.6%
Utilities	\$210,000	4.2%
Maintenance	\$200,000	4%
Property Tax + Insurance	\$230,000	4.6%
Marketing	\$100,000	2%
A&G	\$300,000	6%
Other	\$80,000	1.6%
Total Operating Expenses	\$2,300,000	46%

Calculating NOI

$\text{NOI} = \text{Total Revenue} - \text{Total Operating Expenses}$

Using our example:

- Total Revenue: \$5,000,475
- Total Operating Expenses: \$2,300,000
- **NOI: \$2,700,475**

NOI Margin: 54% (NOI / Revenue)

This is a healthy NOI margin for a well-run hotel. Industry average: 40-60% depending on hotel type.

What NOI Does NOT Include

Not Included in NOI Calculation:

1. Depreciation

- **What it is:** Accounting expense (building/furniture lose value over time)
- **Why excluded:** Non-cash expense (no money actually leaves)
- **Where it matters:** Corporate taxes (depreciation reduces taxable income)

2. Interest Expense

- **What it is:** Bank loan interest payments
- **Why excluded:** Financing decision, not operating performance
- **Homeunity context:** We have **zero bank debt**, so this is \$0 anyway

3. Income Taxes

- **What it is:** Corporate income tax on profits
- **Why excluded:** Tax is SPV responsibility (paid after NOI distributions)
- **HPOT holders:** Receive distributions **before** SPV tax (gross distributions)

4. Capital Expenditures (CapEx)

- **What it is:** Major renovations, furniture replacement, building improvements
- **Why excluded:** Funded from **reserves** (20% of NOI set aside — see §8)
- **Examples:**
 - Renovating all bathrooms: \$500K
 - Replacing HVAC system: \$200K
 - New furniture for all rooms: \$300K

CapEx is "lumpy" (big expenses every few years, not monthly).

NOI Drivers: What Makes It Go Up or Down

Factors That Increase NOI

1. Higher Occupancy

- More rooms sold = more revenue (with minimal incremental cost)

- **Example:** 75% → 80% occupancy = +6.7% revenue (with only +2-3% expenses)

2. Higher ADR (Average Daily Rate)

- Charge more per room = more revenue
- **Strategies:** Dynamic pricing, upselling, premium positioning

3. Ancillary Revenue Growth

- Spa, parking, F&B upsells
- **Low incremental cost** (high margin)

4. Operational Efficiency

- Reduce waste (utilities, supplies)
- Optimize staffing (right-sizing labor)
- Automate processes (self-check-in kiosks, chatbots)

5. Direct Booking Increase

- Reduce OTA dependency (save 15-25% commission)
 - **Travel Club bookings help here** (zero commission)
-

Factors That Decrease NOI

1. Lower Occupancy

- Fewer rooms sold = less revenue
- **Causes:** Recession, competition, poor reputation, pandemic, natural disaster

2. Price Competition

- Forced to lower rates to compete
- **Race to the bottom** in oversupplied markets

3. Rising Expenses

- Labor costs (wage inflation, labor shortages)
- Utilities (energy price spikes)
- Insurance (premium increases after natural disasters)
- Supplies (inflation)

4. Operational Inefficiency

- Overstaffing (too many employees for occupancy level)
- High turnover (constant hiring/training costs)
- Deferred maintenance (small problems become big, expensive failures)

5. Reputation Damage

- Bad reviews (lower bookings)

- Service failures (refunds, compensations)
-

NOI Variability: Real-World Scenarios

Scenario 1: Strong Year (Post-Pandemic Recovery)

Context: Tourism rebounds, pent-up demand, limited supply.

Performance:

- Occupancy: 85% (up from 75% baseline)
- ADR: \$170 (up from \$150 baseline)
- **Revenue: \$5,727,375** (+14.5%)

Expenses:

- Only +5% increase (mostly variable costs like housekeeping)
- **Total Expenses: \$2,415,000**

NOI:

$\$5,727,375 - \$2,415,000 = \$3,312,375$ (+22.6% vs. baseline)

Impact on distributions: Significantly higher (if reserves are already full).

Scenario 2: Weak Year (Economic Recession)

Context: Recession, unemployment up, discretionary travel down.

Performance:

- Occupancy: 60% (down from 75%)
- ADR: \$135 (down from \$150 — forced discounting)

- **Revenue: \$3,567,375** (-28.6%)

Expenses:

- Can't cut as much (many costs are fixed)
- **Total Expenses: \$2,000,000** (-13%)

NOI:

$\$3,567,375 - \$2,000,000 = \$1,567,375$ (-42% vs. baseline)

Impact on distributions: Drastically reduced (or suspended to rebuild reserves).

Scenario 3: Disaster Year (Pandemic, Natural Disaster)

Context: Hotel forced to close for 4 months.

Performance:

- Occupancy: 40% (8 months open × 50% average)
- ADR: \$140 (slightly below baseline)
- **Revenue: \$2,044,000** (-59%)

Expenses:

- Fixed costs continue even when closed (property tax, insurance, skeleton staff)
- **Total Expenses: \$1,500,000** (-35%)

NOI:

$\$2,044,000 - \$1,500,000 = \$544,000$ (-80% vs. baseline)

Impact on distributions: Likely zero (all NOI goes to rebuilding reserves).

Industry Benchmarks

NOI Margin by Hotel Type

Hotel Type	Typical NOI Margin	Notes
Budget / Economy	45-55%	Minimal services, low labor costs
Midscale	40-50%	Some F&B, moderate services
Upscale / Full-Service	35-45%	Full F&B, concierge, higher labor
Luxury / Resort	30-40%	Extensive amenities, high touch service
Boutique	40-50%	Smaller scale, efficient operations

Homeunity target: 45-55% NOI margin (focus on efficient properties, minimal F&B complexity).

Occupancy Benchmarks

Market Condition	Occupancy Rate
Struggling	<50%
Below average	50-60%
Average	60-70%
Above average	70-80%
Excellent	80-90%
Exceptional	>90%

100% occupancy is rare (always some rooms out for maintenance, gaps between bookings).

Homeunity target: 70-80% average across portfolio.

How Travel Club Affects NOI

Incremental Contribution

Key insight: Travel Club bookings **add to NOI**, not subtract.

Why:

- Club members fill **otherwise empty rooms** (incremental occupancy)
- Internal rate (\$60) **exceeds variable cost** (\$50) → contributes \$10 to NOI per night
- No OTA commission paid (saves \$30-40 per booking)

Example:

- Room empty at 11 PM (no OTA booking)
- Club member books last-minute (internal rate: \$60)
- **Hotel earns:** \$60 (vs. \$0 if room stayed empty)
- **Cost:** \$50 (variable)
- **Contribution to NOI:** \$10

Even though \$60 is much lower than \$150 ADR, \$10 is better than \$0.

Displacement Risk

Concern: What if Club bookings **displace** high-value OTA bookings?

Example of bad scenario:

- Room could sell on Booking.com for \$200 (net \$160 after commission)
- Club member books instead at \$60

- **Hotel loses:** \$100 in NOI

Mitigation:

- **Capacity allocation:** Only 5-15% of rooms reserved for Club (85-95% available for OTA)
- **Dynamic availability:** Club access restricted during peak demand periods
- **Priority tiers:** Lower tiers only get access to low-demand periods
- **Forecasting:** AI predicts demand and blocks Club bookings when OTA revenue would be higher

Net effect: Club bookings are **additive**, not cannibalistic (in well-managed system).

NOI and Your Distributions: The Link

Remember the formula:

$$\text{Your Distribution} = (\text{Your HPOT} / \text{Total HPOT}) \times \text{Distributable Amount}$$

Where:

$$\text{Distributable Amount} = \text{NOI} - \text{Reserves (20\%)} - \text{Priority Fees (~1-2\%)}$$

So:

- **Higher NOI** → Higher distributable amount → Higher your distribution
- **Lower NOI** → Lower distributable amount → Lower your distribution (or zero)

Your returns are directly tied to hotel operating performance.

You're not buying a bond. You're participating in a business.

Summary: Why NOI Matters

NOI is the engine that powers your distributions.

Drivers of NOI:

- Occupancy (rooms sold)
- ADR (price per room)
- Operating efficiency (controlling costs)
- Revenue diversification (ancillary income)

You benefit when:

- Hotels are well-located (strong demand)
- Operators are skilled (maximize revenue, minimize waste)
- Travel Club adds incremental occupancy (fills empty rooms)
- Market conditions are favorable (economic growth, tourism trends)

You suffer when:

- Occupancy drops (recession, competition, disasters)
- Costs rise (inflation, labor shortages)
- Management is poor (inefficiency, misallocation)

Next: How NOI flows to you — the distribution waterfall.

8. THE DISTRIBUTION WATERFALL: WHERE YOUR MONEY COMES FROM

What Is a Distribution Waterfall?

A **waterfall** is the **order** in which money flows from hotel operations to different parties.

Think of it like a real waterfall:

- Water (cash) flows from the top (hotel revenue)
- Each level (tier) takes its share
- What's left flows to the next level
- HPOT holders are **near the bottom** (after reserves and priorities)

Why it's called a waterfall: Money "cascades" down through priorities until it reaches you.

The Homeunity Distribution Waterfall (Simplified)

Tier 1: Operating Expenses (First Priority)

Who: Hotel itself (staff, utilities, supplies, etc.)

Amount: Whatever it costs to operate (~40-55% of revenue)

Why first: Without paying operating expenses, **hotel shuts down**. Everything else depends on keeping the lights on.

Example:

- Revenue: \$5,000,000
 - Operating Expenses: \$2,300,000
 - **Remaining after Tier 1: \$2,700,000 (NOI)**
-

Tier 2: Reserve Fund Allocation (Second Priority)

Who: Reserve fund (held by SPV for future CapEx and emergencies)

Amount: 20% of NOI

Why second: Hotels need ongoing capital improvements (renovations, furniture replacement, major repairs). Without reserves, property deteriorates.

Example:

- NOI: \$2,700,000
- Reserve allocation (20%): \$540,000
- **Remaining after Tier 2: \$2,160,000**

Reserve fund details:

- Held in separate SPV bank account
 - Managed by fiduciary administrator
 - Used only for approved CapEx or emergency shortfall coverage
 - **Target balance:** 10-15% of hotel value (once reached, excess may be distributed)
-

Tier 3: Priority Fees (Third Priority)

Who: Fiduciary administrator + platform fee

Amount: ~1-2% of total HPOT issuance annually (fixed dollar amount, not % of NOI)

Components:

A. Fiduciary Administrator Fee (Fuchs Treuhand AG)

- **Function:** Registry administration, distribution authorization, compliance oversight
- **Amount:** 0.25% - 0.5% of series value annually
- **Example:** \$10M series × 0.35% = **\$35,000/year**

B. Platform Fee (Homeunity)

- **Function:** Technology infrastructure, monitoring systems, reporting, customer support
- **Amount:** 0.5% - 1% of series value annually
- **Example:** \$10M series × 0.75% = **\$75,000/year**

Total priority fees: \$110,000/year (for \$10M series)

Example:

- Remaining after Tier 2: \$2,160,000
 - Priority fees: \$110,000
 - **Remaining after Tier 3: \$2,050,000**
-

Tier 4: HPOT Holder Distributions (Fourth Priority — This Is You)

Who: All HPOT holders (pro-rata based on holdings)

Amount: Everything remaining after Tiers 1-3

Distribution:

$$\text{Your Distribution} = (\text{Your HPOT} / \text{Total HPOT}) \times \text{Remaining Amount}$$

Example:

- Remaining: \$2,050,000
- Total HPOT: 10,000,000
- Your HPOT: 50,000 (0.5%)
- **Your annual distribution: $0.5\% \times \$2,050,000 = \$10,250$**

Paid quarterly: $\$10,250 / 4 = \$2,562.50$ per quarter

Tier 5: Operator Performance Fee (Optional — Fifth Priority)

Who: Hotel operator (management company)

Amount: Variable (if structured as subordinated fee)

Why last: Aligns operator incentives with participant returns. Operator only gets extra compensation **after** participants are paid.

Example structure:

- **Base management fee:** 3% of revenue (paid as operating expense in Tier 1)
- **Performance fee:** 10% of distributable amount **after** HPOT distributions exceed 6% annual yield

Example calculation:

- HPOT distribution (from Tier 4): \$2,050,000

- Series size: \$10M
- **Yield to HPOT holders:** 20.5%
- Threshold: 6% yield = \$600,000
- **Excess above threshold:** \$2,050,000 - \$600,000 = \$1,450,000
- **Operator performance fee:** 10% × \$1,450,000 = **\$145,000**

In this structure:

- Operator earns performance fee **only** when participants get high returns
- If yield is <6%, operator gets **zero** performance fee
- **Alignment of interests**

Not all series use this structure (varies by operator agreement — see asset factsheet).

Visual Waterfall Diagram

HOTEL REVENUE WATERFALL PROCESS

Detailed Steps from Revenue to Final Distribution

START: HOTEL REVENUE: \$5,000,000



TIER 1: OPERATING EXPENSES



• Amount: \$2,300,000 (46% of revenue)
→ Remaining: **\$2,700,000 (NOI)**

TIER 2: RESERVE FUND (20% of NOI)



• Amount: \$540,000
✓ Remaining: **\$2,160,000**



RESERVES

TIER 3: PRIORITY FEES (Fiduciary + Platform)



• Amount: \$110,000
✓ Remaining: **\$2,050,000**



TIER 4: HPOT DISTRIBUTIONS (YOU)

Amount: **\$2,050,000** (20.5% yield on \$10M)
→ Pro-rata to all holders

TIER 5: OPERATOR PERFORMANCE FEE (if applicable)



• Amount: **\$145,000**
(10% of excess above 6% threshold)



Scenario Analysis: How Different Outcomes Affect You

Scenario A: Strong Performance Year

Assumptions:

- Revenue: \$5,500,000 (+10%)
- Operating Expenses: \$2,400,000 (+4.3%)
- **NOI: \$3,100,000** (+14.8%)

Waterfall:

- Operating Expenses: \$2,400,000
- Reserves (20%): \$620,000
- Priority Fees: \$110,000
- **HPOT Distribution: \$2,370,000** (23.7% yield on \$10M series)
- Operator Performance Fee: \$177,000

Your distribution (0.5% holding):

$$0.5\% \times \$2,370,000 = \$11,850 \text{ annually } (\$2,962.50/\text{quarter})$$

Your yield: 23.7% (on \$50K investment)

Scenario B: Average Year (Baseline)

Already covered above:

- NOI: \$2,700,000
 - HPOT Distribution: \$2,050,000 (20.5% yield)
 - Your distribution: \$10,250 annually
-

Scenario C: Weak Year (Recession)

Assumptions:

- Revenue: \$3,500,000 (-30%)
- Operating Expenses: \$2,000,000 (-13%)
- **NOI: \$1,500,000** (-44.4%)

Waterfall:

- Operating Expenses: \$2,000,000
- Reserves (20%): \$300,000
- Priority Fees: \$110,000
- **HPOT Distribution: \$1,090,000** (10.9% yield)
- Operator Performance Fee: \$0 (below 6% threshold)

Your distribution (0.5% holding):

$$0.5\% \times \$1,090,000 = \$5,450 \text{ annually } (\$1,362.50/\text{quarter})$$

Your yield: 10.9% (still positive, but much lower)

Scenario D: Crisis Year (Pandemic, Natural Disaster)

Assumptions:

- Revenue: \$2,000,000 (-60%)
- Operating Expenses: \$1,500,000 (-35% — many costs are fixed)
- **NOI: \$500,000** (-81.5%)

Waterfall:

- Operating Expenses: \$1,500,000
- Reserves (20%): \$100,000
- Priority Fees: \$110,000
- **HPOT Distribution: \$290,000** (2.9% yield)
- Operator Performance Fee: \$0

Your distribution (0.5% holding):

$$0.5\% \times \$290,000 = \$1,450 \text{ annually } (\$362.50/\text{quarter})$$

Your yield: 2.9% (barely positive)

Scenario E: Disaster Year (Hotel Closes, Reserve Depletion)

Assumptions:

- Revenue: \$1,000,000 (-80% — only 3 months open)
- Operating Expenses: \$1,200,000 (skeleton crew, fixed costs)
- **NOI: -\$200,000** (LOSS)

Waterfall:

- Operating Expenses: \$1,200,000 (partially covered by reserves)
- Reserves: **DEPLETED** (used to cover operating shortfall)
- Priority Fees: **\$0** (deferred until reserves rebuild)
- **HPOT Distribution: \$0**
- Operator Performance Fee: \$0

Your distribution: \$0

Reserve fund status: Drawn down to cover losses. Future NOI (when hotel reopens) will go to **rebuilding reserves** before any distributions resume.

This is the downside risk.

Reserve Fund Deep Dive

Purpose of Reserves

Why we set aside 20% of NOI:

1. *Capital Expenditures (CapEx)*

Hotels need ongoing improvements:

- **Year 3-5:** Soft goods refresh (\$200K - \$500K)
- Replace carpets, curtains, bedding, furniture
- **Year 7-10:** Hard goods renovation (\$1M - \$2M)
- Bathroom renovations, HVAC replacement, building systems
- **Ongoing:** Smaller items (paint touch-ups, fixture replacements)

Without reserves: Hotel deteriorates → reviews decline → occupancy drops → NOI crashes.

2. *Emergency Fund*

Unexpected expenses:

- Natural disaster damage (if insurance doesn't cover everything)
- Major equipment failure (boiler explodes, roof leaks)
- Legal/regulatory (sudden compliance requirement, lawsuit settlement)
- Operating shortfall (cover losses in bad years)

Reserves prevent forced liquidation during crises.

Reserve Fund Mechanics

Accumulation:

- 20% of NOI allocated every quarter
- Held in separate SPV bank account (segregated from operating account)
- Overseen by fiduciary administrator (withdrawals require approval)

Target balance:

- **10-15% of hotel value**
- Example: \$10M hotel → target reserve = \$1M - \$1.5M

Once target reached:

- **Excess reserves may be distributed** to HPOT holders
- Or: Reserve allocation reduced (e.g., to 10% instead of 20%)
- Decided by fiduciary administrator based on CapEx forecast

Depletion scenarios:

- Major CapEx (bathroom renovation: -\$500K)
- Operating loss (bad year: -\$200K)
- Emergency repair (HVAC replacement: -\$300K)

After depletion:

- Reserve allocation **increases** (may go to 30-40% of NOI temporarily) until fund is rebuilt
 - **Distributions to HPOT holders suspended** until reserves back to target
-

Example Reserve Fund Timeline

Year 1:

- NOI: \$2,700,000
- Reserve allocation (20%): \$540,000
- **Reserve balance: \$540,000**

Year 2:

- NOI: \$2,800,000
- Reserve allocation (20%): \$560,000
- **Reserve balance: \$1,100,000** (target = \$1.5M, so keep accumulating)

Year 3:

- NOI: \$2,750,000
- Reserve allocation (20%): \$550,000
- **Reserve balance: \$1,650,000** (above \$1.5M target)

Excess distribution:

- Target: \$1,500,000
- Actual: \$1,650,000
- **Excess: \$150,000** released for HPOT distribution

Year 4:

- NOI: \$2,900,000
- Reserve allocation (15% — reduced): \$435,000
- CapEx: Soft goods refresh (-\$400,000)
- **Reserve balance: \$1,685,000**

Reserve fund provides stability across the cycle.

Priority Fee Breakdown

Fiduciary Administrator Fee

Fuchs Treuhand AG charges:

- **0.25% - 0.5% of series value** annually

What you're paying for:

- Swiss registry administration (record-keeping, updates)
- Distribution authorization (reviewing financials, approving payments)
- Compliance oversight (regulatory monitoring, reporting)
- Participant statements (quarterly reports, annual summaries)

Example:

- \$10M series × 0.35% = **\$35,000/year**
- Per HPOT: \$35,000 / 10,000,000 = **\$0.0035/HPOT/year**
- On 50,000 HPOT: \$175/year (0.35% of your \$50K holding)

This is a competitive rate (traditional fund administrators charge 0.5% - 1.5%).

Platform Fee (Homeunity)

What you're paying for:

- Blockchain infrastructure (smart contracts, oracles, on-chain data)
- Digital twin monitoring system (real-time performance tracking — see §15)
- Reporting dashboard (participant portal, analytics)
- Travel Club platform integration
- Customer support (help desk, technical assistance)
- Legal/compliance (ongoing regulatory monitoring, legal opinions)

Fee structure:

- **0.5% - 1% of series value** annually
- Example: \$10M series × 0.75% = **\$75,000/year**

Why this is reasonable:

- Traditional hotel REITs charge **1-2% management fees**
- Plus **0.5-1% acquisition fees**
- Plus **0.5-1% disposition fees**
- **Total: 2-4% annually**

Homeunity total fees (fiduciary + platform): 1-2% annually (lower than traditional alternatives)

Comparison: Homeunity vs. Traditional Fee Structures

Traditional Hotel REIT

Fee layers:

- **Management fee:** 1-2% of assets under management (AUM)
- **Acquisition fee:** 1-2% of purchase price (one-time)
- **Disposition fee:** 1-2% of sale price (one-time)
- **Performance fee:** 10-20% of profits above hurdle rate
- **Expense reimbursements:** Corporate overhead passed through

Example (\$10M hotel, held 10 years):

- Management fee: \$1.5M (1.5% × \$10M × 10 years)
 - Acquisition fee: \$150K (1.5% of \$10M)
 - Disposition fee: \$210K (1.5% of \$14M sale)
 - Performance fee: \$200K (if applicable)
 - **Total fees: \$2,060,000** (20.6% of initial investment)
-

Homeunity Structure

Fee layers:

- **Fiduciary fee:** 0.35% × \$10M × 10 years = \$350K

- **Platform fee:** $0.75\% \times \$10M \times 10 \text{ years} = \$750K$
- **No acquisition fee**
- **No disposition fee**
- **Optional operator performance fee** (only if returns exceed threshold)

Total fees over 10 years: \$1,100,000 (11% of initial investment)

Savings: \$960,000 (48% lower fees than traditional REIT)

When Distributions Are Paid

Frequency

Typical schedule: Quarterly

Why quarterly (not monthly):

- Hotel performance varies seasonally (winter vs. summer, weekday vs. weekend)
- Quarterly averages smooth out volatility
- Lower administrative burden (fewer distribution events)

Some series may pay semi-annually or annually (check asset factsheet).

Record Dates

How it works:

- **Record Date** set (e.g., March 31 for Q1 distribution)
- Swiss registry **snapshot** taken (who held HPOT on March 31?)
- Distribution calculated (pro-rata based on snapshot)
- **Payment date** (typically 30-45 days after record date, e.g., May 10)

If you trade HPOT:

- Sell before record date → **buyer** receives distribution
- Buy before record date → **you** receive distribution
- Similar to stock "ex-dividend date"

See §17 for full registry mechanics.

Payment Methods

How you receive distributions:

Option 1: USD wire transfer

- Direct to your bank account
- Industry standard
- **Wire fee:** Typically \$15-25 per transfer (deducted from distribution or paid by you)

Option 2: Stablecoin (USDC, USDT)

- Sent to your wallet on BSC
- Lower fees (blockchain gas fees ~\$0.50)
- Instant settlement

Option 3: Reinvestment (Auto-DRIP)

- Distribution used to purchase more HPOT in same series (or other series)
- No cash received
- Compound growth
- **Similar to dividend reinvestment plans (DRIPs) in traditional stocks**

You choose your preference via platform settings.

What Happens If NOI Is Insufficient

Suspension of Distributions

If NOI doesn't cover waterfall priorities:

Example crisis scenario:

- NOI: \$500,000
- Reserves (20%): \$100,000
- Priority fees: \$110,000
- **Remaining: \$290,000** (barely enough for HPOT distribution)

If reserves are below target (\$1.5M) and currently at \$800,000:

Fiduciary administrator may decide:

- **Option A:** Pay full \$290,000 to HPOT holders (small distribution)
- **Option B:** Allocate 50% to reserves (\$145K), 50% to HPOT holders (\$145K)
- **Option C:** Suspend HPOT distributions entirely, allocate 100% to reserves

Decision factors:

- Reserve fund health (how far below target?)
- CapEx forecast (major expenses coming soon?)
- Outlook (is this a temporary blip or prolonged downturn?)

Fiduciary has discretion (within contractual limits) to prioritize long-term stability.

No "Catch-Up" Distributions

Important: If distributions are suspended, you **do not** get "back pay" later.

Example:

- Q1 2027: Distribution suspended (reserves prioritized)
- Q2 2027: NOI rebounds, distributions resume

You receive:

- Q1: **\$0**
- Q2: Normal distribution (e.g., \$2,500)

You do **NOT** receive:

- Q1 + Q2 combined

Missed distributions are gone. (Unlike preferred stock dividends which may accumulate.)

Summary: The Waterfall Explained

Money flows in this order:

- **Operating expenses** (hotel must stay open)
- **Reserves** (20% of NOI for CapEx and emergencies)
- **Priority fees** (fiduciary + platform)
- **HPOT distributions** (you)
- **Operator performance fee** (only if returns exceed threshold)

You are near the bottom (fourth tier). This means:

- **Upside:** When NOI is strong, you get most of it (after reserves and small fees)
- **Downside:** When NOI is weak, distributions shrink or disappear

Reserves protect long-term viability (but reduce short-term distributions).

Fees are transparent and competitive (1-2% total, vs. 2-4% traditional).

Next: The two control layers — how hotel operations are governed and monitored.

9. FROM HOTEL TO YOU: THE TWO CONTROL LAYERS

Why We Need Two Layers

Traditional hotel ownership: Owner controls everything (hiring, pricing, renovations,

operations).

Homeunity structure: Distributed participation (thousands of HPOT holders).

Problem: You can't have 10,000 people voting on whether to hire a new housekeeper or change the breakfast menu.

Solution: Two control layers:

- **Operational Control Layer** (day-to-day decisions)
 - **Strategic Oversight Layer** (major decisions only)
-

Layer 1: Operational Control (The Operator)

Who Runs the Hotel

Professional hotel operator (management company) handles all day-to-day operations.

Examples of operator types:

- **Independent boutique operator** (small, specialized firms)
- **Regional hotel management company**
- **Franchise partner** (e.g., Marriott, Hilton, IHG — operating under franchise license)
- **Homeunity in-house team** (for smaller properties)

Operator is hired by the SPV (not by HPOT holders directly).

What the Operator Controls

Full operational discretion:

1. Staffing

- Hiring, firing, scheduling
- Compensation, benefits
- Training, performance management
- **You have zero say** in who works at the hotel

2. Pricing & Revenue Management

- Setting room rates (dynamic pricing)
- Distribution strategy (which OTAs to use)
- Promotions, discounts
- Inventory allocation (how many rooms for OTA vs. Travel Club)

3. Purchasing & Supplies

- Selecting vendors (linens, toiletries, food, etc.)
- Negotiating contracts
- Inventory management

4. Guest Experience

- Service standards
- Amenities offered
- Policies (check-in time, pet policy, cancellation rules)

5. Marketing & Branding

- Hotel positioning
- Advertising campaigns
- Social media, reputation management
- Photography, website content

6. Maintenance & Minor CapEx

- Routine repairs
- Preventive maintenance
- Small improvements (under threshold, e.g., <\$50K)

HPOT holders do NOT vote on any of this. Operator has full authority.

Why This Structure Works

Efficiency:

- Decisions made quickly (no committee votes)

- Professional expertise (operators know hotel business)
- Market responsiveness (adjust pricing, promotions in real-time)

Accountability:

- **Performance is visible** (monthly reports, digital twin monitoring)
- **If operator underperforms:** SPV (with HPOT holder approval) can replace them (see §19)

Alignment:

- Operator's reputation depends on performance
 - Many operator agreements include **performance fees** (earn more when NOI is higher)
-

Operator Compensation

Typical structure:

Base Management Fee

- **3-5% of gross revenue**
- Covers: Operator's overhead, staff, systems
- Paid **as operating expense** (Tier 1 in waterfall)

Example:

- Revenue: \$5M
- Base fee: 4% = **\$200,000/year**

Performance Fee (Optional)

- **10-20% of NOI above threshold**
- Or: **10-20% of distributable amount above yield threshold**
- Paid **after HPOT distributions** (Tier 5 in waterfall)
- **Aligns incentives:** Operator earns more when participants earn more

Example:

- Distributable amount: \$2,050,000
- Threshold: 6% yield on \$10M = \$600,000
- Excess: \$1,450,000
- Performance fee (10%): **\$145,000**

Structure varies by hotel (see asset factsheet for specifics).

Operator Replacement

Can the operator be fired? Yes, but it's not easy (by design).

Grounds for replacement:

- **Material breach** of management agreement (fraud, gross negligence)
- **Persistent underperformance** (NOI significantly below comparable hotels for 2+ years)
- **Regulatory violations** (health code failures, safety issues)

Process:

- SPV board (initially appointed by Homeunity) identifies issue
- Issue escalated to HPOT holders (notification + vote)
- **Supermajority vote required** (e.g., 75% of HPOT holders)
- If approved: Management agreement terminated, new operator hired

High bar: Prevents frivolous changes (operator needs stability to execute strategy).

See §19 for governance details.

Layer 2: Strategic Oversight (SPV + Fiduciary + HPOT Holder Rights)

What HPOT Holders CAN Influence

Major decisions require HPOT holder approval:

1. Hotel Disposition (Sale)

- **Trigger:** SPV board proposes selling the hotel
- **Vote required:** 75% supermajority (of HPOT holders)
- **Why:** Sale ends your participation (you receive disposition proceeds)

Example:

- Year 8: Offer to purchase hotel for \$14M
 - SPV board recommends sale (market peak, good exit opportunity)
 - Vote called: 82% of HPOT holders approve
 - **Sale proceeds:** After costs, distributed pro-rata
-

2. Major Capital Expenditures (Above Threshold)

- **Trigger:** Proposed CapEx >\$500K (or >5% of hotel value)
- **Vote required:** Simple majority (50%+)
- **Examples:**
 - Full hotel renovation (\$2M)
 - Adding a spa building (\$1.5M)
 - Converting to different brand (franchise change)

Why vote needed: Large CapEx funded from reserves (affects distributions).

3. Refinancing / Taking on Debt

- **Trigger:** Proposal to borrow against hotel (mortgage, line of credit)
- **Vote required:** Supermajority (75%)
- **Why:** Fundamentally changes risk profile (debt introduces foreclosure risk)

Note: Homeunity default is **no debt**. Refinancing would only be proposed in extraordinary circumstances (e.g., distress scenario, capital needed to avoid bankruptcy).

4. Change of Use

- **Trigger:** Converting hotel to different use (e.g., residential apartments, office space)
- **Vote required:** Supermajority (75%)
- **Why:** Changes the economic model entirely

Unlikely scenario (hotels are zoned for hospitality use), but governance structure allows for it.

5. *Fiduciary Administrator Replacement*

- **Trigger:** Proposal to replace Fuchs Treuhand AG with different administrator
- **Vote required:** Supermajority (75%)
- **Why:** Fiduciary is critical trust anchor (change should not be taken lightly)

Grounds for replacement:

- Loss of license
 - Misconduct, negligence
 - Persistent poor performance (distribution delays, errors)
-

What HPOT Holders CANNOT Influence

Explicitly excluded from voting:

- **Day-to-day operations** (staffing, pricing, purchasing)
- **Minor CapEx** (under threshold, e.g., \$50K for new furniture)
- **Operator hiring** (unless replacing due to breach/underperformance)
- **Reserve fund allocation** (fiduciary has discretion within defined ranges)
- **Distribution timing** (fiduciary decides quarterly vs. semi-annual)
- **Travel Club policies** (HRPT usage layer is separate from HPOT governance)

You're a **passive participant** in operations. Active only for major strategic decisions.

SPV Board: The Intermediary

Who Sits on the Board

Initially:

- Appointed by Homeunity (at SPV formation)
- Typically 3 board members:
- Homeunity representative

- Independent director (hospitality expert)
- Independent director (finance/legal expert)

No HPOT holder seats (you don't get a board seat just by holding tokens).

Why: Professional governance, avoids conflicts and gridlock.

What the Board Does

Responsibilities:

1. *Oversee Operator*

- Monitor performance (review monthly reports)
- Approve annual operating budget
- Ensure compliance with management agreement

2. *Approve Major Expenditures*

- Review CapEx proposals (above threshold)
- Recommend to HPOT holders (if vote required)

3. *Financial Oversight*

- Review quarterly financials
- Ensure proper accounting
- Coordinate with fiduciary administrator on distributions

4. *Strategic Decisions*

- Propose disposition (sale) when appropriate
- Evaluate refinancing options (if ever needed)
- Handle extraordinary situations (disasters, legal issues)

Board cannot:

- Override HPOT holder votes on major decisions
 - Sell hotel without HPOT holder approval
 - Fundamentally change economic structure
-

Board Accountability

Board members have fiduciary duties (under Swiss law):

- **Duty of care:** Make informed, prudent decisions
- **Duty of loyalty:** Act in SPV's (and ultimately HPOT holders') best interest
- **Duty of good faith:** No self-dealing, conflicts of interest

If board breaches duties:

- HPOT holders can sue (class action, if appropriate)
- Board members personally liable (in severe cases of negligence/fraud)

Protections:

- Directors & Officers (D&O) insurance (covers legal defense, settlements)
 - Indemnification (SPV covers legal costs for good-faith actions)
-

Monitoring & Transparency: The Digital Twin

How do you know what's happening at the hotel?

Answer: Digital twin monitoring system (see §15 for full details).

What it is: Real-time data dashboard that mirrors hotel operations.

What you see:

- **Daily metrics:** Occupancy, ADR, revenue
- **Expense tracking:** Labor costs, utilities, supplies (categorized)
- **NOI calculation:** Updated weekly
- **Booking pace:** Reservations on the books (forward visibility)
- **Comp set comparison:** How your hotel performs vs. competitors
- **Review scores:** TripAdvisor, Google, Booking.com ratings

Why it matters:

- **Transparency:** You see what the operator sees
- **Early warning:** Performance issues flagged before they become crises
- **Accountability:** Operator knows participants are watching

Digital twin is passive monitoring (you can't click a button to change pricing or fire someone).
But visibility creates accountability.

The Checks and Balances

Operator vs. SPV Board

Operator proposes → **Board approves** (for major items)

Example:

- Operator: "We want to renovate all bathrooms for \$600K"
- Board: Reviews proposal, cost estimates, impact on NOI
- Board: Recommends to HPOT holders (requires vote because >\$500K)
- HPOT holders: Vote yes/no
- **If approved:** Operator executes (funded from reserves)

Checks:

- Operator can't unilaterally spend large sums
 - Board can't override HPOT holders on major decisions
 - HPOT holders can't micromanage operations
-

Fiduciary vs. SPV

Fiduciary administrator:

- **Independent** from SPV and operator
- Reviews financial statements prepared by SPV
- **Authorizes distributions** (acts as gatekeeper)
- Can **withhold distribution** if financials are questionable or reserves are insufficient

Example safeguard:

- SPV reports: "NOI = \$2.7M, let's distribute \$2M"
- Fiduciary reviews: Sees reserves are only \$500K (target is \$1.5M)
- Fiduciary decides: "Reserves are below target. Allocate 50% to reserves, only \$1M distributable."

- **Distribution reduced** to protect long-term stability

Fiduciary protects participants from SPV/operator overpaying in short term at expense of long-term health.

HPOT Holders vs. All Parties

Ultimate veto power on major decisions:

- Can vote to replace operator (if underperformance)
- Can vote against disposition (if price is too low)
- Can vote against refinancing (if they oppose taking on debt)

HPOT holders are the check on SPV board and operator for strategic decisions.

Information Flow: Who Knows What, When

Monthly (Operational Updates)

Source: Operator → SPV → Digital Twin Dashboard

Content:

- Occupancy by day
- ADR trends
- Revenue by source (OTA, direct, Travel Club)
- Expense breakdown
- Key events (marketing campaigns, reviews, issues)

Audience: HPOT holders (via dashboard)

Quarterly (Financial Statements)

Source: SPV → Fiduciary → HPOT Holders

Content:

- Income statement (revenue, expenses, NOI)
- Balance sheet (assets, liabilities, reserves)
- Cash flow statement
- Distribution calculation

Audience: HPOT holders (via email + dashboard)

Fiduciary reviews before release (ensures accuracy).

Annually (Audited Reports)

Source: External auditor → SPV → Fiduciary → HPOT Holders

Content:

- Full financial audit (if required by size/jurisdiction)
- Tax filings
- Compliance certifications
- Performance summary

Audience: HPOT holders + regulators (where applicable)

Not all series require audits (smaller hotels may use reviewed statements instead of full audit).

Ad Hoc (Major Events)

Trigger events:

- Disposition proposal
- Operator change
- Natural disaster / force majeure
- Regulatory action
- Litigation

Communication:

- Immediate notification (email, platform alert)
- Detailed explanation
- Vote called (if applicable)

HPOT holders receive timely updates for anything material.

What Happens If Things Go Wrong

Scenario 1: Operator Mismanagement

Example: Operator overstaffs, wastes money, NOI declines 30% vs. comparable hotels.

Response:

- **Digital twin flags issue** (underperformance visible)
- **Board investigates** (reviews operator decisions)
- **Board warns operator** (opportunity to correct)
- **If no improvement:** Board proposes operator replacement
- **HPOT holders vote** (75% supermajority required)
- **If approved:** New operator hired

Timeline: 6-12 months (governance is deliberate, not reactive).

Scenario 2: SPV Board Conflict of Interest

Example: Board member has financial interest in a vendor, steers contracts to that vendor (overcharging).

Response:

- **Fiduciary or HPOT holder discovers** conflict (via financial review)
- **Complaint filed** (with fiduciary or via governance forum)
- **Investigation** (fiduciary or external counsel)
- **If confirmed:** Board member removed, contracts reviewed/canceled
- **If damages:** SPV sues board member (D&O insurance or personal liability)

Safeguard: Annual conflict-of-interest disclosures required from board.

Scenario 3: Fiduciary Administrator Failure

Example: Fiduciary delays distributions, makes errors in registry, becomes unresponsive.

Response:

- **HPOT holders escalate** (via platform, direct contact)
- **If no resolution:** Proposal to replace fiduciary
- **HPOT holders vote** (75% supermajority)
- **If approved:** New Swiss fiduciary appointed (registry transferred)

Continuity: Participation agreements allow for fiduciary succession (your rights continue).

Scenario 4: Force Majeure (Pandemic, Natural Disaster)

Example: Hurricane damages hotel, insurance covers 80% of repairs, hotel closed 6 months.

Response:

- **Operator assesses damage** (works with insurers, contractors)
- **Board approves repair plan** (uses insurance + reserves)
- **Distributions suspended** (no NOI while closed)
- **HPOT holders notified** (detailed update on timeline, financials)
- **Hotel reopens** (operations resume, distributions restart)

Your role: Passive (you're informed, but don't vote on repair decisions unless CapEx exceeds major threshold).

Risk: If damage is catastrophic and insurance insufficient, hotel may be sold for scrap (disposition proceeds distributed).

Summary: Two Layers, Clear Boundaries

Operational Layer (Operator)

- **Who:** Professional hotel management company
- **Controls:** Day-to-day operations (staffing, pricing, purchasing, guest experience)
- **Accountability:** Performance monitored via digital twin, can be replaced for breach/underperformance

Strategic Layer (SPV Board + HPOT Holders)

- **Who:** SPV board proposes, HPOT holders vote (for major decisions)
- **Controls:** Disposition, major CapEx, refinancing, operator replacement, fiduciary replacement
- **Accountability:** Board has fiduciary duties, HPOT holders have veto power

Fiduciary Administrator (Independent Check)

- **Who:** Fuchs Treuhand AG (or successor)
- **Controls:** Registry, distribution authorization, compliance oversight
- **Accountability:** Can be replaced by HPOT holder vote

This structure balances:

- **Efficiency** (professionals run the hotel, not a committee)
- **Oversight** (transparency via monitoring, voting rights on major decisions)
- **Protection** (fiduciary as independent gatekeeper, bankruptcy remoteness)

You're a **passive participant in operations, active participant in strategic decisions.**

Next: The full system architecture — eight layers explained.

10. SYSTEM ARCHITECTURE: EIGHT LAYERS EXPLAINED

Why Eight Layers?

The Homeunity ecosystem is **complex by design**. Each layer serves a specific purpose:

- **Asset Layer** (Physical hotels)
- **Legal Layer** (SPV structure, Swiss registry)
- **Participation Layer** (HPOT series)
- **Usage Layer** (HRPT, Travel Club)
- **Data Layer** (Monitoring, oracles, reporting)
- **Blockchain Layer** (On-chain representation, transfers)
- **Access Layer** (HAFS, onboarding, compliance)
- **Application Layer** (User interface, dashboards, booking)

Each layer is isolated (failure in one doesn't cascade to others).

This is enterprise-grade architecture, not a "move fast and break things" startup structure.

Layer 1: Asset Layer (Physical Real Estate)

What Lives Here

Actual hotel buildings:

- Land, structure, fixtures
- Furniture, equipment (FF&E)
- Physical inventory (linens, supplies)

Ownership:

- SPV owns the hotel (legal title recorded in local jurisdiction)
- One SPV per hotel (bankruptcy remoteness)

Operations:

- Hotel operator manages day-to-day (management agreement)
 - Staff, guests, revenue, expenses (the actual business)
-

Why This Layer Is Separate

Physical assets are illiquid and jurisdiction-specific.

Challenges:

- Each country has different property laws
- Real estate title registration varies
- Tax treatment differs by location
- Zoning, permits, compliance (local regulations)

Solution:

- **Local subsidiary** holds title (e.g., Portuguese entity for Portugal hotel)
- **Swiss SPV** owns the local subsidiary (clean structure)
- **HPOT participation** tied to Swiss SPV (governed by Swiss law)

Separation allows:

- International diversification (hotels in multiple countries)

- Legal clarity (participation governed by Swiss law, property by local law)
 - Bankruptcy isolation (one hotel's issues don't affect others)
-

Layer 2: Legal Layer (Contracts & Registry)

What Lives Here

Legal structure:

- **SPV formation documents** (articles of association, bylaws)
- **Participation agreements** (HPOT holder contracts)
- **Management agreements** (operator contracts)
- **Fiduciary agreements** (administrator contracts)
- **Swiss registry** (official record of HPOT issuance and holdings)

Key legal concepts:

- **Registerwertrechte** (contractual rights under Swiss law, Art. 973d CO)
 - **Bankruptcy remoteness** (SPV isolation from other entities)
 - **Distribution waterfall** (contractual priority of payments)
-

Swiss Registry: The Source of Truth

What it is:

- Official Swiss registry for uncertificated securities
- Maintained by **Fuchs Treuhand AG** (fiduciary administrator)
- **Legal record** of who holds what

What it contains:

- **Series information:** Hotel identifier, total HPOT issued, issuance date
- **Holder records:** Wallet addresses (or account IDs), HPOT balances
- **Transaction history:** Issuances, transfers, redemptions
- **Snapshots:** Record dates for distributions (who held HPOT on specific dates)

Why Swiss registry matters:

- **Legal enforceability:** Swiss courts recognize Registerwertrechte
- **Regulatory compliance:** Meets Swiss DLT/securities framework
- **Creditor protection:** Bankruptcy remoteness doctrine applies
- **International recognition:** Swiss legal opinions carry weight globally

Registry is the ultimate source of truth. Blockchain is a **mirror** (convenient for transfers, queries), but **registry is authoritative** in disputes.

Layer 3: Participation Layer (HPOT Economics)

What Lives Here

Economic participation:

- **HPOT series** (one per hotel)
- **Distribution calculations** (pro-rata NOI shares)
- **Reserve fund accounting** (20% allocations, CapEx spending)
- **Waterfall logic** (Tiers 1-5, priority payments)

Key mechanisms:

- **Quarterly distribution cycle** (record dates, payment dates)
 - **NAV calculations** (net asset value per HPOT, updated annually or upon major events)
 - **Governance triggers** (supermajority votes for major decisions)
-

How This Layer Interacts with Others

Inputs from Asset Layer:

- Hotel NOI (revenue - operating expenses)
- CapEx needs (renovation requirements)
- Performance data (occupancy, ADR)

Inputs from Legal Layer:

- Participation agreement terms (distribution waterfall rules)
- Registry snapshots (who gets paid)

Outputs to Blockchain Layer:

- Distribution events (recorded on-chain for transparency)
- Governance votes (on-chain or off-chain, depending on implementation)

Outputs to Application Layer:

- Dashboard updates (your distribution amounts, yield calculations)
 - Tax statements (annual 1099/1042-S equivalents)
-

Layer 4: Usage Layer (HRPT & Travel Club)

What Lives Here

Travel Club operations:

- **Membership tiers** (Starter, Explorer, Navigator, Pioneer)
- **Internal pricing engine** (cost-plus model, tier discounts)
- **Booking system** (availability, reservations, confirmations)
- **AI concierge** (recommendations, price monitoring, itinerary planning)

HRPT token:

- **Issued as DLT-registered right** (Swiss law, utility token classification)
 - **Membership credential** (holding HRPT = Travel Club access)
 - **Tier determination** (real-time balance checks)
-

Separation from Participation Layer

HRPT ≠ HPOT

Why separate:

- **Regulatory:** HRPT is utility token (consumptive use), HPOT is asset token (financial participation)
- **Access:** HRPT potentially available to U.S. retail (where Terms allow), HPOT restricted
- **Function:** You can travel without participating economically, or vice versa

Interaction:

- **Optional bundling:** "Buy \$10K HPOT, get 1,000 HRPT bonus" (promotional)
 - **Alignment:** More Travel Club usage → higher hotel occupancy → higher NOI → higher HPOT distributions
 - **But fundamentally independent:** Travel Club can operate even if HPOT market crashes (and vice versa)
-

Layer 5: Data Layer (Monitoring & Oracles)

What Lives Here

Real-time data collection:

- **Hotel PMS integration** (Property Management System — reservations, check-ins, billing)
- **Accounting system integration** (expenses, payroll, invoices)
- **Market data feeds** (comp set pricing, occupancy benchmarks, tourism trends)
- **Review aggregation** (TripAdvisor, Google, Booking.com scores)

Data transformation:

- **Normalization:** Different hotels use different PMS systems → standardized data format
- **Validation:** Detect anomalies (e.g., occupancy >100%, negative expenses)
- **Aggregation:** Roll up daily data into weekly/monthly summaries

Oracle services:

- **Push data to blockchain** (on-chain record of key metrics)
 - **Trigger smart contract events** (distribution authorization, governance votes)
-

Digital Twin Concept

What it is:

- **Virtual replica** of hotel operations
- Updates in near-real-time (typically every 15 minutes for key metrics)
- **Accessible to HPOT holders** via dashboard

What you see:

- **Today's occupancy:** 78% (85 of 100 rooms occupied)
- **This week's ADR:** \$162 (trending up from \$155 last week)
- **Month-to-date revenue:** \$487K (on track for \$620K monthly target)
- **Expense alerts:** Utilities +12% vs. last month (investigate)
- **Review score:** 4.6/5 (dropped from 4.8 — recent negative reviews flagged)

Why it matters:

- **Transparency:** You see what's happening in real-time (not waiting for quarterly reports)
- **Accountability:** Operator knows participants are watching
- **Early warning:** Performance issues detected before they become crises

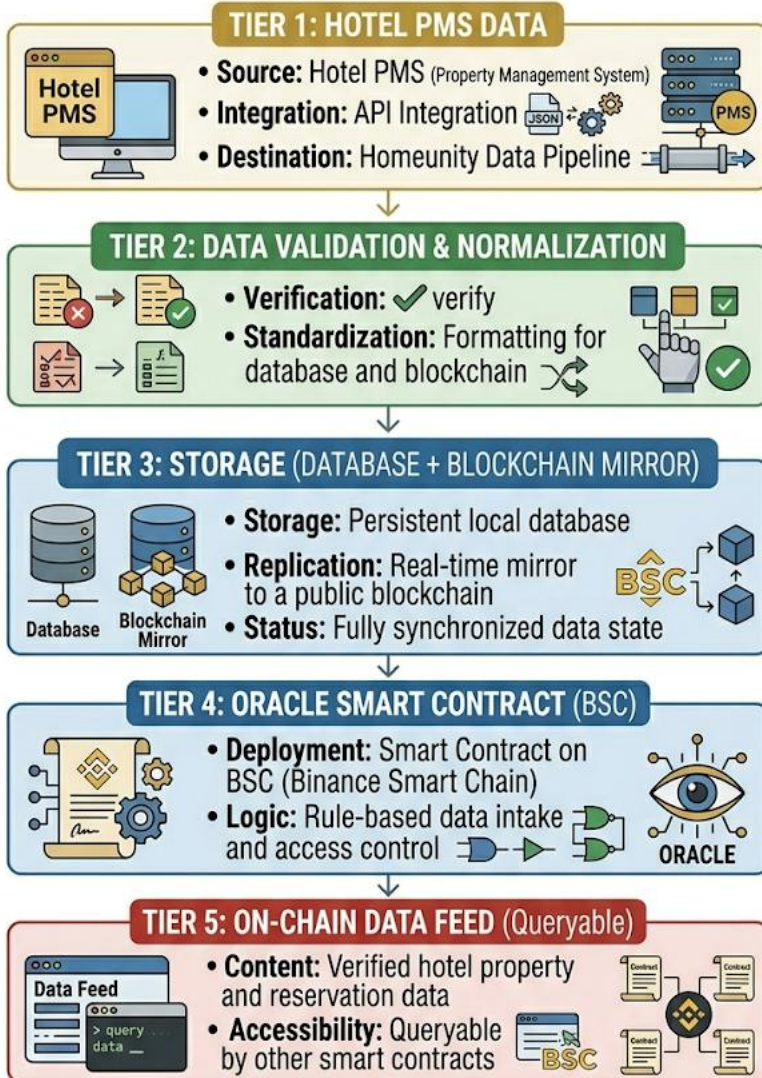
See §15 for full Digital Twin details.

Oracle Architecture

Data flow:

ON-CHAIN DATA PIPELINE PROCESS

Detailed Steps from Hotel PMS to On-Chain Data Feed



Key oracles:

1. Occupancy Oracle

- **Updates:** Daily (midnight UTC)
- **Data:** Occupancy % by hotel, by series
- **On-chain use:** Distribution calculations, performance monitoring

2. Revenue Oracle

- **Updates:** Weekly
- **Data:** Total revenue (gross), revenue by source (OTA, direct, Travel Club)
- **On-chain use:** NOI calculations, waterfall inputs

3. NAV Oracle

- **Updates:** Quarterly (or upon major events like CapEx, disposition)
- **Data:** Net asset value per HPOT (estimated property value - liabilities / total HPOT)
- **On-chain use:** Secondary market reference pricing, governance votes (weighted by NAV)

4. Governance Oracle

- **Updates:** On-demand (when votes called)
- **Data:** Vote proposals, results, execution status
- **On-chain use:** Transparency, audit trail

Oracle security:

- **Multi-signature:** Data must be confirmed by 3+ independent nodes (prevents single point of manipulation)
- **Validator network:** Decentralized nodes (Homeunity + third-party validators)
- **Slashing:** Validators who submit false data lose stake (economic incentive for honesty)

Layer 6: Blockchain Layer (On-Chain Representation)

Why Blockchain?

Benefits:

- **Transparency:** All transactions publicly visible (pseudonymous)
- **Immutability:** Historical data can't be altered (audit trail)
- **Programmability:** Smart contracts automate logic (distribution calculations, transfers)
- **Composability:** Other protocols can integrate (future DeFi use cases)
- **Global access:** Anyone with internet can view data (no gatekeepers)

Not benefits:

- **NOT decentralization of control** (governance still requires SPV, fiduciary, legal layer)
- **NOT "trustless"** (you still trust operator, fiduciary, legal agreements)
- **NOT immutable in absolute sense** (Swiss registry can override blockchain in disputes)

Blockchain is a tool, not a religion.

Network: Binance Smart Chain (BSC)

Why BSC:

- **Low fees:** Gas costs ~\$0.10-0.50 per transaction (vs. \$5-50 on Ethereum)
- **Fast:** ~3 second block time (vs. 12-15 seconds on Ethereum)
- **EVM-compatible:** Supports Solidity smart contracts (developer familiarity)
- **Liquidity:** Large DEX ecosystem (PancakeSwap, etc.) for secondary trading
- **Proven:** Billions in TVL, established network (since 2020)

Why not Ethereum:

- **Too expensive:** \$20-100 gas fees make small distributions impractical
- **L2 fragmentation:** Too many Layer 2 options, unclear which will win

Why not Solana/Avalanche/other:

- **Lower liquidity:** Smaller DEX ecosystems
- **Less mature:** Newer chains, higher technical risk

BSC is a pragmatic choice (not ideologically pure, but functional).

Smart Contracts

Key contracts:

1. HRPT Token Contract

- **Standard:** BEP-20 (BSC token standard, equivalent to ERC-20)
- **Supply:** Fixed total supply
- **Functions:** Transfer, balance checks, tier determination (reads HRPT balance for Travel Club access)
- **Contract address:** 0x41bE4f626808C3a56d7C2E66b3e8f106b4a2D832 (example — verify on platform)

2. HPOT Series Contracts

- **One contract per series** (HPOT-A, HPOT-B, etc.)
- **Standard:** BEP-20 with extensions (registry sync, distribution tracking)
- **Supply:** Fixed per series (matches series issuance, e.g., 10M HPOT-A)
- **Functions:**
 - Transfer (with registry notification)
 - Distribution claim (when authorized by fiduciary)
 - Governance vote (for major decisions)

3. *Distribution Manager Contract*

- **Function:** Calculates and processes distributions
- **Inputs:** NOI (from oracle), reserve allocation, priority fees
- **Logic:** Implements waterfall (Tiers 1-5)
- **Outputs:** Distribution amounts per HPOT holder (claimable via HPOT contract)

4. *Governance Contract*

- **Function:** Manages votes (operator replacement, disposition, major CapEx)
- **Inputs:** Proposals (submitted by SPV board or HPOT holders)
- **Logic:** Voting period (e.g., 7 days), quorum check, supermajority thresholds
- **Outputs:** Vote results (binding if quorum + threshold met)

5. *Registry Sync Contract*

- **Function:** Mirrors Swiss registry on-chain
 - **Inputs:** Registry snapshots (from fiduciary administrator)
 - **Logic:** Validates transfers against registry (ensures blockchain matches official record)
 - **Outputs:** Reconciliation reports (flags discrepancies)
-

On-Chain Data Availability

What's on-chain:

- **HRPT transfers** (all transfers publicly visible)
- **HPOT transfers** (all transfers publicly visible)
- **Distribution events** (amounts, dates, recipients)
- **Governance votes** (proposals, votes, results)
- **Oracle data** (occupancy, revenue, NAV snapshots)

What's NOT on-chain:

- **KYC data** (privacy, regulatory compliance — stored off-chain by licensed provider)
- **Detailed financials** (full income statements, expense breakdowns — too much data for blockchain)
- **Personal info** (names, addresses, passport numbers — GDPR compliance)

Blockchain is for transparency and automation, not data warehouse.

Layer 7: Access Layer (HAFS & Compliance)

What Is HAFS?

HAFS = Homeunity Asset Facilitation System

What it does:

- **Onboards new HPOT participants** (KYC, suitability, payment processing)
- **Issues HPOT** (allocates to participants, updates registry)
- **Monitors issuance health** (ACR — Asset Coverage Ratio)
- **Enforces compliance** (jurisdiction restrictions, accredited investor verification for U.S.)

HAFS is NOT:

- A retail "buy button" (like Coinbase or Binance)
- An exchange (no secondary market trading in HAFS)
- A wallet (you receive HPOT in your own wallet after onboarding)

HAFS is a gated onboarding portal.

Why HAFS Exists

Regulatory requirements:

- **KYC/AML:** Must verify identity, check sanctions lists (OFAC, EU, etc.)
- **Suitability:** Must ensure participant understands risks, can afford loss
- **Jurisdiction:** Must block restricted regions (U.S. retail, China, sanctioned countries)
- **Accredited investor verification:** For U.S. participants (if institutional gateway used)

Anti-speculation guardrails:

- **No immediate flipping:** HAFS allocations may have lock-up (e.g., 90-day minimum hold before transferable)
- **Purchase limits:** Maximum per participant (prevents whale concentration)
- **Gradual issuance:** Series doesn't all issue at once (staggered over weeks/months)

Operational efficiency:

- **Payment processing:** Fiat wires, crypto conversions (USDC/USDT → USD → SPV bank account)
- **Series coordination:** Matches demand with available supply (waitlist if oversubscribed)

See §12 for full HAFS deep dive.

Layer 8: Application Layer (User Interface)

What Lives Here

Frontend applications:

1. *Participant Dashboard (HPOT Holders)*

- **Portfolio view:** All your HPOT holdings across series
- **Performance tracking:** Distributions received, cumulative yield, NAV updates
- **Digital twin access:** Real-time hotel monitoring
- **Governance:** View proposals, cast votes
- **Tax documents:** Download annual statements

2. *Travel Club Portal (HRPT Holders)*

- **Hotel search:** Destinations, dates, filters
- **Booking engine:** Reservations, payments, confirmations
- **AI concierge:** Chat interface, recommendations, price alerts
- **Tier status:** Current tier, benefits, upgrade thresholds
- **Trip history:** Past stays, receipts, reviews

3. *Admin Console (Operators, SPV Board, Fiduciary)*

- **Hotel management:** Update availability, pricing, inventory
- **Financial reporting:** Upload statements, trigger distributions
- **Governance tools:** Create proposals, monitor votes
- **Compliance dashboards:** KYC status, jurisdiction reports, alert management

4. Public Website (Marketing, Education)

- **Whitepaper, FAQs, asset factsheets**
 - **Blog, news updates**
 - **Contact, support**
-

Tech Stack (High-Level)

Frontend:

- **React** (web app framework)
- **TypeScript** (type safety)
- **Tailwind CSS** (styling)
- **Web3.js / Ethers.js** (blockchain interactions)

Backend:

- **Node.js** (API server)
- **PostgreSQL** (relational database for off-chain data)
- **Redis** (caching for performance)
- **GraphQL** (API query layer)

Blockchain:

- **Hardhat** (smart contract development, testing)
- **OpenZeppelin** (security-audited contract libraries)
- **Chainlink** (oracle infrastructure — if used in addition to custom oracles)

Infrastructure:

- **AWS / GCP** (cloud hosting)
- **CloudFlare** (CDN, DDoS protection)
- **Docker / Kubernetes** (containerization, orchestration)

Security:

- **SSL/TLS** (encrypted connections)
 - **2FA** (two-factor authentication for accounts)
 - **HSM** (hardware security modules for key storage)
 - **Bug bounty program** (incentivize white-hat hackers to find vulnerabilities)
-

How the Layers Work Together: Example Flow

Scenario: You Receive a Quarterly Distribution

Step-by-step through all 8 layers:

Layer 1 (Asset): Hotel Operates

- Hotel generates \$1.25M revenue in Q1
- Operating expenses: \$700K
- **NOI: \$550K**

Layer 2 (Legal): Participation Agreement Activates

- Participation agreement specifies: 20% reserves, priority fees, then HPOT distribution
- **Distributable amount calculated:** \$550K - \$110K (reserves) - \$27.5K (fees) = **\$412.5K**

Layer 5 (Data): Oracle Captures Results

- Operator uploads Q1 financials to system
- Data pipeline validates (checks against PMS data, accounting records)
- **Oracle pushes NOI data on-chain:** \$550K confirmed

Layer 6 (Blockchain): Distribution Triggered

- Distribution Manager smart contract reads oracle data
- Calculates: \$412.5K distributable / 10M HPOT = **\$0.04125 per HPOT**
- **Distribution event emitted** (on-chain record)

Layer 2 (Legal): Fiduciary Authorizes

- Fuchs Treuhand AG reviews financials
- Confirms reserves are at target (no need to withhold extra)
- **Authorizes distribution:** \$412.5K approved for payment

Layer 6 (Blockchain): Registry Snapshot

- Smart contract queries Swiss registry (via Registry Sync Contract)
- **Record date: March 31, 2027**
- Snapshot shows: You held 50,000 HPOT on that date

Layer 3 (Participation): Your Share Calculated

$$50,000 \text{ HPOT} \times \$0.04125 = \$2,062.50$$

Layer 8 (Application): You Claim Distribution

- Dashboard shows: "Q1 Distribution: \$2,062.50 available"
- You click "Claim" (or set to auto-claim)
- Choose payment method: USDC to wallet

Layer 6 (Blockchain): Payment Executed

- Distribution Manager contract sends 2,062.50 USDC to your wallet
- **Transaction hash:** Publicly verifiable on BSC block explorer

Layer 8 (Application): Confirmation

- Dashboard updates: "Payment sent. TX: 0xabc123..."
- Email notification: "You received \$2,062.50 for Q1 2027"

All 8 layers worked together to get money from hotel operations into your wallet.

Why Complexity?

Couldn't this be simpler?

Yes — but it would sacrifice:

- **Legal clarity:** Swiss Registerwertrechte provide regulatory certainty
- **Bankruptcy protection:** SPV isolation requires separate legal entities
- **Transparency:** Blockchain + oracles make data publicly verifiable
- **Compliance:** HAFS enforces KYC/AML, jurisdiction restrictions
- **Scalability:** Modular layers allow independent upgrades (change PMS without touching blockchain)

Each layer serves a purpose. Remove one, and the system becomes fragile or non-compliant.

This is production-grade infrastructure, not a prototype.

System Resilience: What If a Layer Fails?

Layer 1 (Asset) Failure

Scenario: Hotel destroyed by fire.

Impact:

- NOI goes to zero (until rebuilt or sold)

- Distributions suspended
- Insurance claim filed (covers rebuilding or compensates for loss)

Other layers:

- **Unaffected:** Other hotels in other SPVs continue operating
 - Blockchain, legal, data layers still function (just no NOI to distribute for this series)
-

Layer 2 (Legal) Failure

Scenario: Fiduciary administrator loses license.

Impact:

- Registry administration pauses (new transactions can't be officially recorded)
- Distributions delayed (until new fiduciary appointed)

Mitigation:

- **Succession plan:** Participation agreements allow HPOT holders to vote for replacement
 - **Registry transfer:** New fiduciary takes over (continuity maintained)
 - **Timeline:** 30-90 days to transition (distributions backfilled once resolved)
-

Layer 5 (Data) Failure

Scenario: Oracle malfunction (wrong data pushed on-chain).

Impact:

- Distribution calculation incorrect (e.g., shows \$1M NOI when actual was \$550K)
- Potential overpayment to HPOT holders (or underpayment)

Mitigation:

- **Multi-signature validation:** Oracle data must be confirmed by 3+ validators
- **Fiduciary review:** Fiduciary checks data before authorizing distribution (catches errors)
- **Reconciliation:** Monthly audits compare on-chain data with SPV financials

If error detected:

- **Before distribution:** Corrected on-chain, re-calculated
- **After distribution:** Clawback (future distributions adjusted) or insurance claim

Layer 6 (Blockchain) Failure

Scenario: BSC network down (temporary outage).

Impact:

- On-chain transactions paused (can't transfer HPOT, claim distributions)
- Dashboard may not update (if relies on on-chain queries)

Mitigation:

- **Off-chain fallback:** Distributions can be processed via manual wire transfer (using registry as source of truth)
- **Network redundancy:** BSC has validator redundancy (unlikely to have prolonged outage)
- **Timeline:** Typical outage <1 hour (if longer, fallback procedures activate)

Swiss registry is source of truth, so blockchain downtime doesn't erase your holdings.

Layer 8 (Application) Failure

Scenario: Website/dashboard hacked or down.

Impact:

- Can't access dashboard (can't view data, claim distributions)
- Can't book Travel Club hotels

Mitigation:

- **Data still on-chain:** You can query blockchain directly (via BSC block explorer or tools like Etherscan)
- **Alternative access:** Mobile app, API endpoints (if you're technical)
- **Manual support:** Contact support for manual distribution claims, bookings

Downtime doesn't affect underlying assets (hotels still operate, distributions still calculated).

Summary: Eight Layers, One Ecosystem

Layer 1 (Asset): Physical hotels generate cash flows

Layer 2 (Legal): Swiss law provides structure and enforceability

Layer 3 (Participation): HPOT gives you economic rights

Layer 4 (Usage): HRPT gives you Travel Club access

Layer 5 (Data): Oracles capture and validate performance

Layer 6 (Blockchain): On-chain transparency and automation

Layer 7 (Access): HAFS ensures compliant onboarding

Layer 8 (Application): Dashboards make it usable

Each layer is independent (failure isolated).

Each layer is necessary (removing one breaks functionality or compliance).

This is how you build infrastructure that scales to billions in assets.

Next: Blockchain and data details — BSC, oracles, and system reality.

11. BLOCKCHAIN & DATA: BSC, ORACLES, AND SYSTEM REALITY

The Blockchain Reality Check

Let's be honest: Blockchain is **over-hyped** in many projects.

What blockchain does **NOT** do for Homeunity:

- Decentralize control (SPV board, operator, fiduciary still make decisions)

- Make it trustless (you still trust legal agreements, operators, administrators)
- Eliminate intermediaries (you still need fiduciary, operator, banks for fiat)
- Guarantee anything (blockchain doesn't prevent hotel failure or operator fraud)

What blockchain DOES do for Homeunity:

- Provides transparent audit trail (all transactions publicly visible)
- Automates calculations (smart contracts eliminate manual errors)
- Enables programmable transfers (HPOT can move peer-to-peer without intermediary approval)
- Creates composability (future integrations with DeFi, lending, etc.)
- Improves accessibility (global access, no broker needed)

Blockchain is a tool, not magic.

Why Binance Smart Chain (BSC)?

The Fee Problem

Ethereum mainnet costs (as of 2026):

- Simple transfer: \$10-30
- Smart contract interaction: \$20-80
- Complex transaction (distribution claim): \$50-150

For a \$500 quarterly distribution, \$80 gas fee = 16% loss.

Unacceptable.

BSC Advantages

Transaction costs:

- Simple transfer: **\$0.10-0.30**
- Smart contract interaction: **\$0.30-0.80**
- Complex transaction: **\$0.80-2.00**

For a **\$500 distribution**, **\$1 gas fee = 0.2% loss.**

Acceptable.

Speed:

- **~3 second block time** (vs. 12-15 seconds on Ethereum)
- **Finality:** ~15 blocks (45 seconds for practical finality)

Developer ecosystem:

- **EVM-compatible:** Solidity smart contracts work directly
- **Tooling:** Hardhat, Truffle, Remix all support BSC
- **Auditors:** Major audit firms (CertiK, PeckShield) familiar with BSC

Liquidity:

- **PancakeSwap** (largest BSC DEX, billions in daily volume)
 - **Multiple bridges** (to Ethereum, other chains)
 - **Established:** Running since September 2020 (4+ years of uptime)
-

BSC Limitations (We Acknowledge)

Centralization concerns:

- **21 validators** (vs. thousands on Ethereum)
- **Binance influence:** Most validators are Binance-aligned or partners
- **Not "decentralized" in purist sense**

Why we're okay with this:

- **Swiss registry is source of truth** (blockchain is a mirror, not sole authority)
- **Legal enforcement** doesn't depend on blockchain decentralization
- **Practicality wins:** 100x lower fees > ideological purity

If BSC became problematic:

- **Migration plan:** Participation agreements allow for blockchain upgrade (move to Ethereum L2, Polygon, or other)
- **Registry continuity:** Swiss registry unaffected (your holdings remain valid)

Smart Contract Architecture

Contract Design Principles

Security first:

- Use **OpenZeppelin libraries** (battle-tested, audited code)
- **Multi-signature controls** for admin functions (3-of-5 threshold)
- **Pause mechanisms** (emergency stop if exploit detected)
- **Upgrade patterns** (proxy contracts allow bug fixes without redeployment)

Gas optimization:

- Minimize storage writes (storage is expensive on any chain)
- Batch operations where possible (claim multiple distributions in one transaction)
- Use events for data (cheaper than storage, queryable off-chain)

Modularity:

- Separate contracts for separate functions (distribution, governance, registry sync)
 - Avoids monolithic contract (reduces risk of cascading failure)
-

Key Contracts in Detail

HRPT Token Contract

Type: BEP-20 (standard fungible token)

Core functions:

```
function transfer(address to, uint256 amount)          // Standard transfer
function balanceOf(address account)                   // Check HRPT balance (used for tier
determination)
```

Burnable, but no mint after initial issuance .

Transfer restrictions: None (HRPT freely tradable).

Contract address: 0x41bE4f626808C3a56d7C2E66b3e8f106b4a2D832 (verify on BSCScan)

HPOT Series Contract (Example: HPOT-A)

Type: BEP-20 with extensions

Core functions:

```
function transfer(address to, uint256 amount) // Transfer with registry
notification // Triggers: notifyRegistryTransfer(from, to, amount)
function claimDistribution(uint256 distributionId) // Claim distribution
(when authorized) // Checks: holder balance on record date, distribution
status // Sends: USDC or other stablecoin function
getDistributableAmount(address holder, uint256 distributionId) // Preview
distribution amount before claiming function getHolderInfo(address holder)
// Returns: balance, total distributions claimed, last claim date
```

Registry sync:

- Every transfer triggers off-chain notification to fiduciary
- **Fiduciary updates Swiss registry** (typically within 24 hours)
- **On-chain and registry eventually consistent**

Dispute resolution:

- If blockchain and registry disagree → **registry wins** (legal source of truth)
 - Example: Hacker steals HPOT on-chain but can't update registry → distributions still go to registry holder
-

Distribution Manager Contract

Function: Automates waterfall calculations.

Inputs:

```
function setDistribution(      uint256 seriesId,          // Which HPOT series
uint256 noi,                  // From oracle      uint256 reserveAmount,      // 20%
of NOI      uint256 priorityFees,      // Fiduciary + platform fees      uint256
recordDate      // Snapshot date )
```

Calculation:

```
distributableAmount = noi - reserveAmount - priorityFees; perHPOT =
distributableAmount / totalHPOT;
```

Output:

```
event DistributionAuthorized(      uint256 seriesId,      uint256 distributionId,
      uint256 perHPOT,      uint256 totalAmount,      uint256 recordDate,
uint256 paymentDate );
```

HPOT holders then call `claimDistribution()` on HPOT contract.

Governance Contract

Function: Manage votes on major decisions.

Proposal structure:

```
struct Proposal {      uint256 id;      string description;      // "Sell Hotel A
for $14M"      ProposalType pType;      // Disposition / CapEx / OperatorChange
/ etc.      uint256 seriesId;      // Which HPOT series votes      uint256
startTime;      uint256 endTime;      // 7-day voting period      uint256
quorum;      // Minimum participation (e.g., 30%)      uint256 threshold;
// Approval threshold (e.g., 75% supermajority)      uint256 votesFor;
uint256 votesAgainst;      bool executed; }
```

Voting:

```
function vote(uint256 proposalId, bool support)      // Checks: caller holds
HPOT, hasn't voted yet      // Records: vote (weighted by HPOT balance on
proposal start date)
```

Execution:

```
function executeProposal(uint256 proposalId)      // Checks: voting period
ended, quorum met, threshold met      // Effect: Emits ProposalPassed event
```

```
// Note: Actual execution (e.g., hotel sale) happens off-chain (SPV board)
```

On-chain governance is for transparency and record-keeping, not for direct control (legal actions still require SPV board, Swiss fiduciary).

Oracle System: Bridging Real World to Blockchain

The Oracle Problem

Blockchain can't natively access off-chain data (hotel occupancy, revenue, financials).

We need oracles: Trusted data feeds that push real-world info on-chain.

Homeunity Oracle Architecture

Two-tier system:

Tier 1: Internal Oracles (Homeunity-operated)

- **Function:** Collect data from hotel PMS, accounting systems
- **Validation:** Cross-check against multiple data sources (PMS + accounting + bank statements)
- **Push to blockchain:** Daily (for key metrics), weekly (for revenue), quarterly (for NOI)

Trust model: You trust Homeunity to report accurate data.

Mitigation: Fiduciary administrator reviews before distributions (catches errors or fraud).

Tier 2: External Validators (Decentralized)

- **Function:** Independent nodes verify Homeunity oracle data
- **Method:** Random sampling (request invoices, bank statements, PMS exports)
- **Consensus:** 3-of-5 validators must confirm data before accepted on-chain

Trust model: Distributed trust (Homeunity + 3rd parties).

Validators:

- **Accounting firms** (e.g., Big 4 or regional auditors)
- **Hotel industry consultants** (STR, HVS — market data providers)
- **Blockchain oracle providers** (e.g., Chainlink node operators, if integrated)

Incentives:

- Validators earn fees (e.g., 0.05% of NOI per validation)
 - **Slashing:** Validators who approve false data lose stake (economic penalty)
-

Oracle Data Types

1. Occupancy Oracle

- **Source:** Hotel PMS (reservations, check-ins)
- **Frequency:** Daily
- **On-chain storage:** 7-day rolling average (to smooth noise)
- **Use case:** Digital twin dashboard, performance monitoring

2. Revenue Oracle

- **Source:** PMS + accounting system
- **Frequency:** Weekly
- **On-chain storage:** Monthly totals
- **Use case:** NOI calculation input

3. Expense Oracle

- **Source:** Accounting system (payroll, invoices, utilities)
- **Frequency:** Monthly
- **On-chain storage:** Categorized breakdown (rooms, F&B, utilities, etc.)
- **Use case:** NOI calculation, expense analysis

4. NOI Oracle

- **Source:** Calculated (Revenue - Expenses)
- **Frequency:** Quarterly
- **On-chain storage:** Quarterly NOI + reserves + distributable amount
- **Use case:** Distribution authorization

5. NAV Oracle

- **Source:** Property appraisal (annual) or model-based estimate (quarterly)
 - **Frequency:** Annually (full appraisal), quarterly (model update)
 - **On-chain storage:** NAV per HPOT
 - **Use case:** Secondary market reference, governance voting weights
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Oracle Security Measures

Data tampering prevention:

- **Multi-source verification:**
 - PMS data must match accounting system
 - Accounting must match bank statements
 - Any discrepancy triggers manual review
 - **Cryptographic signatures:**
 - Data signed by Homeunity private key
 - Validators verify signature before accepting
 - Prevents man-in-the-middle attacks
 - **Time-lock delays:**
 - Oracle data has 24-hour delay before on-chain commitment
 - Allows detection and correction of errors
 - Emergency pause if fraud suspected
 - **Economic incentives:**
 - Validators staked (e.g., \$50K per validator node)
 - False data → slashing (lose stake)
 - Honest validation → fees + reputation
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Data Storage: On-Chain vs. Off-Chain

What's On-Chain (BSC Blockchain)

Transaction data:

- HRPT transfers
- HPOT transfers
- Distribution claims
- Governance votes

Aggregated metrics:

- Monthly revenue, expenses, NOI (per series)
- Quarterly distributions (amounts, dates)
- NAV snapshots (quarterly)
- Occupancy averages (weekly)

Events:

- Distribution authorized
- Proposal created / voted / executed
- Operator changed
- Major CapEx approved

Why on-chain:

- **Transparency:** Anyone can verify
 - **Immutability:** Historical data can't be altered
 - **Composability:** Other smart contracts can query
-

What's Off-Chain (Traditional Databases)

Personal data:

- KYC information (name, passport, address)
- Email, phone number
- Payment details (bank account, credit card — encrypted)

Detailed financials:

- Line-item expenses (every invoice, payroll entry)

- Daily occupancy by room
- Individual guest bookings
- Vendor contracts

Operational data:

- Hotel PMS full database
- Maintenance logs
- Staff schedules
- Review details (full text of guest reviews)

Why off-chain:

- **Privacy:** GDPR, data protection laws (can't put personal info on public blockchain)
 - **Volume:** Too much data (blockchain storage is expensive)
 - **Flexibility:** Easier to update, delete if needed (blockchain is immutable)
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Data Availability Guarantee

Homeunity commits:

- **On-chain data:** Permanent (stored on BSC, publicly queryable forever)
- **Off-chain data:** Retained for **7 years minimum** (regulatory requirement for financial records)
- **Participant data:** Available via dashboard (real-time) + annual export (CSV, PDF)

Access:

- **On-chain:** Anyone can query (via BSCScan, API, or direct node connection)
- **Off-chain:** HPOT holders only (authenticated access via dashboard)

Redundancy:

- **On-chain:** BSC network redundancy (21 validators, globally distributed)
 - **Off-chain:** AWS multi-region backup (3 geographic regions), daily snapshots
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System Monitoring & Alerts

What's Monitored

Blockchain health:

- BSC network status (uptime, gas fees, congestion)
- Smart contract interaction success rate (% of transactions failing)
- Oracle update frequency (are oracles posting on schedule?)

Operational health:

- Hotel occupancy (vs. forecast, vs. comp set)
- Revenue pace (booking curve, forward bookings)
- Expense trends (any category spiking?)
- Review scores (sudden drops flagged)

Financial health:

- NOI variance (actual vs. budget)
- Reserve fund balance (vs. target)
- Distribution coverage (can we afford declared distribution?)

Security:

- Unusual transactions (large transfers, rapid trading)
 - Failed login attempts (potential account compromise)
 - Smart contract interactions (any calls to unexpected functions?)
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Alert Types

Level 1: Informational

- Example: "Hotel A occupancy +5% this week"
- Audience: HPOT holders (dashboard notification)
- Action: None required

Level 2: Warning

- Example: "Hotel B utilities expense +15% vs. last month"
- Audience: Operator, SPV board, fiduciary
- Action: Investigation (is this seasonal, or issue?)

Level 3: Critical

- Example: "Hotel C review score dropped from 4.8 to 4.2 (10+ negative reviews in 3 days)"
- Audience: Operator (immediate), SPV board, HPOT holders
- Action: Emergency response (what happened? address issue)

Level 4: Emergency

- Example: "Smart contract exploit detected (unusual withdrawal pattern)"
 - Audience: All stakeholders
 - Action: **Circuit breaker** (pause contracts), investigate, patch, resume
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Incident Response

Scenario: Oracle reports incorrect NOI (overstated by 50%)

Timeline:

T+0 hours (detection):

- Validator flags discrepancy (PMS data doesn't match oracle submission)
- **Pause distribution authorization** (fiduciary withholds approval)

T+2 hours (investigation):

- Homeunity team reviews data pipeline
- Identifies bug (double-counting Travel Club revenue)

T+6 hours (fix):

- Bug patched
- Corrected NOI submitted to oracle
- Validators confirm (3-of-5 consensus)

T+12 hours (authorization):

- Fiduciary reviews corrected data
- **Authorizes distribution** with correct amount

T+24 hours (communication):

- HPOT holders notified (email, dashboard banner)
- Incident report published (what happened, how fixed, prevention measures)

T+7 days (post-mortem):

- Root cause analysis
- Code audit (ensure no other similar bugs)
- Process improvement (additional validation checks)

Transparency is key (participants deserve to know when things go wrong and how they're fixed).

Privacy & Compliance

GDPR / Data Protection

Personal data handling:

- **KYC data:** Encrypted at rest, access-controlled
- **Stored off-chain:** Not on public blockchain (GDPR compliance)
- **Third-party processor:** Licensed KYC provider (Onfido, Jumio, or similar)
- **Right to erasure:** Participants can request data deletion (subject to regulatory retention requirements)

Pseudonymity:

- **On-chain:** Wallet addresses (no names, no personal info)
- **Linkage:** Off-chain database maps wallet → identity (only Homeunity has this mapping)
- **Public view:** Anyone can see wallet `0xABC...` holds 50,000 HPOT, but not who owns that wallet

AML / Sanctions Screening

Ongoing monitoring:

- **OFAC list:** Cross-check all participants against sanctioned entities (daily)
- **Freeze mechanism:** If participant added to sanctions list → freeze HPOT (prevent transfers, distributions held)
- **Reporting:** Suspicious activity reported to relevant authorities (Swiss FINMA, if applicable)

Transaction monitoring:

- **Unusual patterns:** Large sudden transfers, rapid trading (flagged for review)
 - **Source of funds:** Crypto deposits traced (blockchain analysis tools like Chainalysis, Elliptic)
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Future Upgrades

Potential Enhancements (Roadmap Dependent)

1. Chainlink integration:

- Replace or supplement internal oracles with Chainlink decentralized oracles
- **Benefit:** Greater decentralization, external trust

2. Layer 2 migration:

- Move to Ethereum L2 (Arbitrum, Optimism) if gas fees drop to BSC levels
- **Benefit:** Ethereum security + low fees

3. Cross-chain bridges:

- Allow HPOT trading on multiple chains (Ethereum, Polygon, etc.)
- **Benefit:** Access to more liquidity pools

4. DeFi integrations:

- HPOT as collateral (borrow against your holdings)
- Yield farming (stake HPOT for additional rewards)
- **Benefit:** Capital efficiency, composability

5. Advanced analytics:

- Machine learning models (predict occupancy, optimize pricing)
- Sentiment analysis (scrape reviews, detect issues early)
- **Benefit:** Better operator decisions, higher NOI

All upgrades subject to:

- Technical feasibility
 - Regulatory compliance
 - HPOT holder approval (if governance vote required)
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Summary: Blockchain as Infrastructure

Blockchain is not the product. Hotels are the product.

Blockchain is infrastructure that enables:

- Transparent reporting (on-chain audit trail)
- Efficient transfers (peer-to-peer, no broker)
- Automated calculations (smart contracts eliminate errors)
- Future composability (DeFi, integrations)

Swiss registry is source of truth. Blockchain is a useful mirror.

Oracles bridge real world to blockchain. Trust comes from multi-party validation + fiduciary review.

Data is split: Personal/detailed off-chain (privacy, efficiency), aggregated/public on-chain (transparency).

This is pragmatic blockchain use, not hype.

Next: HAFS deep dive — how onboarding, ACR, and protection mechanisms work.

12. HAFS DEEP DIVE: ONBOARDING, ACR, AND PROTECTION MECHANISMS

What Is HAFS?

HAFS = Homeunity Asset Facilitation System

What it does:

- **Onboards new HPOT participants** (KYC, verification, payment)
- **Issues HPOT** (allocates to wallets, updates Swiss registry)
- **Monitors issuance health** (Asset Coverage Ratio tracking)
- **Enforces compliance** (jurisdiction blocks, accredited investor verification)

- **Manages allocation** (waitlists, gradual issuance, anti-whale limits)

What it is NOT:

- Not a retail "buy button" (like Coinbase)
- Not an exchange (no trading, only primary issuance)
- Not a wallet (you receive HPOT in your own wallet)

HAFS is the gateway between fiat capital and HPOT participation.

Why HAFS Exists

The Regulatory Problem

Traditional token sale (what we DON'T do):

- "Buy" button on website
- Send ETH, receive tokens instantly
- No KYC, no verification
- **Result:** Regulatory disaster (securities violation in most jurisdictions)

HAFS approach (what we DO):

- Apply for participation (submit info, pass checks)
- Verify identity, jurisdiction, suitability
- Process payment (fiat wire or crypto → converted to USD → SPV account)
- Receive HPOT allocation (recorded in Swiss registry, issued to wallet)

HAFS adds friction (intentionally). This is a feature, not a bug.

The Anti-Speculation Problem

Traditional ICO dynamics:

- Tokens issued all at once → massive supply hits market

- Early buyers flip for quick profit → price volatility
- Project gets reputation as "pump and dump"

HAFS prevents this:

- **Gradual issuance:** Series issues over weeks/months (not instant)
- **Lock-up periods:** Early participants may have 90-day minimum hold
- **Purchase limits:** Max per participant (e.g., \$500K) prevents whale concentration
- **Suitability screening:** Ensures participants understand this is long-term, not day-trading

Goal: Attract serious participants, not speculators.

The HAFS Onboarding Process

Step 1: Series Selection

You start by choosing which hotel series to participate in.

Information provided:

- **Asset factsheet:** Hotel details (location, size, type, operator)
- **Financial projections:** Expected NOI, distribution yields (illustrative, not guaranteed)
- **Risk factors:** Specific to this hotel (location risk, operator track record, etc.)
- **Terms:** Minimum investment, lock-up period, fees

Example:

- **Series:** HPOT-A (Portugal Beach Resort)
- **Minimum:** \$5,000
- **Lock-up:** 90 days (can't transfer HPOT for first 90 days after issuance)
- **Expected yield:** 6-8% annually (not guaranteed)

You decide: "I want to participate in HPOT-A with \$20,000"

Step 2: Eligibility Check (Automated)

HAFS runs initial screening:

2A. Jurisdiction

- **IP geolocation:** Where are you accessing from?
- **Restricted:** U.S. retail, China (PRC), sanctioned countries → **Blocked**
- **Allowed:** EU, UK, Switzerland, most of rest of world → **Pass**

2B. Age

- **Minimum:** 18 years old globally
- **Some jurisdictions:** 21+ (check local law)

2C. Sanctions Lists

- **OFAC (U.S.), EU, UN sanctions lists** cross-checked
- **Match: Blocked** (cannot participate)
- **No match: Pass**

If you pass all three: Proceed to Step 3.

If you fail any: **Application rejected** (with explanation).

Step 3: KYC (Know Your Customer)

You submit:

Personal information:

- Full legal name
- Date of birth
- Nationality / citizenship
- Residential address
- Phone number, email

Identity documents:

- Government-issued ID (passport or national ID card)
- Proof of address (utility bill, bank statement <3 months old)

- Selfie (liveness check — ensures you're not submitting stolen documents)

Additional (if applicable):

- **U.S. Accredited Investor:** W-2, tax return, or letter from CPA/attorney (if accessing via institutional gateway)
- **Corporate participant:** Certificate of incorporation, beneficial ownership info

Processing:

- **Automated verification** (Onfido, Jumio, or similar provider) — typically <24 hours
 - **Manual review** (if automated fails or flags) — 24-48 hours
 - **Approval or rejection**
-

Step 4: Suitability Questionnaire

You answer questions about:

Financial Situation

- Annual income
- Net worth (excluding primary residence)
- Liquid assets available for investment
- Existing exposure to real estate, hospitality, crypto

Purpose: Ensure you can afford potential loss.

Example questions:

- "What % of your net worth would this investment represent?"
- <5%
- 5-10% (warning)
- 10-25% (discouraged)
- >25% (rejected for your protection)

Investment Experience

- Prior real estate investment?
- Prior blockchain/crypto investment?
- Understand concepts like NOI, yield, illiquidity?

Purpose: Ensure you understand what you're buying.

Example questions:

- "Do you understand that HPOT distributions are NOT guaranteed?" (Yes/No)
- "Do you understand that you may not be able to sell HPOT easily?" (Yes/No)

Fail suitability → **Rejected** (even if you pass KYC).

Why: Regulatory requirement + ethical responsibility (we don't want participants who can't afford loss or don't understand risks).

Step 5: Payment

You choose payment method:

Option A: Fiat Wire Transfer (USD/EUR)

- HAFS provides bank details (SPV account)
- You wire funds (typically 1-3 business days)
- HAFS confirms receipt
- **HPOT issued** (based on USD amount / \$1 per HPOT)

Example:

- You wire \$20,000
- Receives \$19,950 (your bank charged \$50 wire fee)
- **You receive:** 19,950 HPOT

Option B: Stablecoin (USDC, USDT)

- HAFS provides wallet address (SPV-controlled wallet)
- You send stablecoin (BSC network)
- HAFS confirms on-chain (typically <5 minutes)
- **HPOT issued**

Example:

- You send 20,000 USDC (BSC)
- Gas fee: \$0.50 (you pay)
- HAFS receives: 20,000 USDC
- **You receive:** 20,000 HPOT

HAFS converts stablecoins to USD (via exchange or OTC desk) → deposits to SPV fiat account.

Option C: Cryptocurrency (BTC, ETH)

- HAFS provides quote (BTC/ETH → USD conversion rate, locked for 15 minutes)
- You send crypto
- HAFS confirms, converts to USD (via exchange)
- **HPOT issued** (based on USD received after conversion and fees)

Example:

- Quote: 1 BTC = \$95,000 (locked for 15 min)
- You send 0.21 BTC
- Conversion fees (exchange + spread): ~2% = \$399
- **Net USD:** \$19,551
- **You receive:** 19,551 HPOT

Why fiat wire or stablecoin is better:

- Lower fees
 - No price volatility during processing
 - Faster confirmation
-

Step 6: HPOT Issuance

Once payment confirmed:

- **HAFS calculates allocation:**

```
HPOT amount = USD received / $1
```

- **Swiss registry updated:**
- Fiduciary administrator (Fuchs Treuhand AG) records your holding
- Entry: Wallet address `0xYourAddress` → 20,000 HPOT-A
- **On-chain minting:**
- HPOT-A smart contract mints 20,000 tokens
- Sent to your wallet address
- **Confirmation:**
- Email: "You received 20,000 HPOT-A"
- Dashboard: Portfolio updated

Timeline: Typically **24-72 hours** from payment confirmation to HPOT in wallet.

Step 7: Lock-Up Period (If Applicable)

Some series have lock-up:

- **Purpose:** Prevent immediate flipping (anti-speculation)
- **Duration:** Typically 90 days (varies by series)
- **Enforcement:** Smart contract restriction (can't transfer until unlock date)

During lock-up:

- You still receive distributions (if declared)
- You can vote on governance (if applicable)
- You CANNOT transfer or sell HPOT

After lock-up expires:

- Fully transferable (peer-to-peer or via secondary market)
-

Asset Coverage Ratio (ACR)

What Is ACR?

ACR = Asset Coverage Ratio

Formula:

$$\text{ACR} = (\text{Hotel Value} + \text{Reserves}) / \text{Total HPOT Issued (at \$1 each)}$$

What it measures: How well-collateralized is the HPOT series?

Healthy ACR: >1.0 (assets exceed liabilities)

Distressed ACR: <0.8 (hotel value declined significantly)

Example ACR Calculation

Series: HPOT-A (Portugal Beach Resort)

Issuance:

- Hotel purchased: \$10M
- HPOT issued: 10M tokens
- **Initial ACR:** $\$10M / \$10M = 1.0$

Year 3 (appreciation + reserves):

- Hotel appraised value: \$11.5M (appreciation)
- Reserve fund: \$1.2M
- **Total assets:** \$12.7M
- **HPOT issued:** 10M (unchanged)
- **ACR:** $\$12.7M / \$10M = 1.27$ (healthy)

Year 5 (recession, value declines):

- Hotel appraised value: \$8.5M (market downturn)
- Reserve fund: \$1.5M
- **Total assets:** \$10M
- **ACR:** $\$10M / \$10M = 1.0$ (borderline, monitor closely)

Distress scenario:

- Hotel appraised value: \$6M (major damage, market crash)
 - Reserves: \$0.5M (depleted for repairs)
 - **Total assets:** \$6.5M
 - **ACR:** $\$6.5M / \$10M = 0.65$ (distressed)
-

What Happens If ACR Falls Below 1.0?

ACR <1.0 means: Assets are worth less than total HPOT issuance (your \$1 reference unit is now "underwater").

HAFS response (automatic triggers):

1. Halt New Issuance

- **No more HPOT** issued in this series (close the offering)
- **Why:** Don't want new participants buying at \$1 when underlying value is <\$1

2. Increase Reserve Allocation

- **Reserve % raised** (from 20% to 30-40% of NOI)
- **Why:** Rebuild assets, improve ACR over time

3. Distribution Suspension (If ACR <0.8)

- **No HPOT distributions** until ACR recovers to >1.0
- **Why:** Preserve capital, avoid further asset depletion

4. Governance Notification

- **HPOT holders notified** (email, dashboard alert)
 - **SPV board convenes** (assess situation, options)
 - **Vote may be called:**
 - Option A: Hold and wait for recovery
 - Option B: Sell hotel now (cut losses)
 - Option C: Inject capital (refinance or additional issuance — requires approval)
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ACR Recovery Path

Scenario: ACR fell to 0.85 (distressed). How to recover?

Option 1: Wait for Appreciation

- Hotel market recovers
- Property value rises from \$8.5M to \$11M (18 months later)
- **ACR:** $(\$11M + \$1M \text{ reserves}) / \$10M = 1.2$ (recovered)

Option 2: Rebuild Reserves

- Suspend distributions

- Allocate 40% of NOI to reserves (instead of 20%)
- After 2 years, reserves grow from \$0.5M to \$2M
- **ACR:** $(\$8.5M \text{ hotel} + \$2M \text{ reserves}) / \$10M = 1.05$ (recovered)

Option 3: Controlled Disposition

- Sell hotel for \$9M (best offer in distressed market)
- After transaction costs (5%): \$8.55M net
- Distribute to HPOT holders: $\$8.55M / 10M \text{ HPOT} = \0.855 per HPOT
- **You lose 14.5%** (if you held 10,000 HPOT, you get \$8,550 instead of \$10,000)

HPOT holders vote on which path (via governance contract).

Protection Mechanisms

1. Jurisdiction Blocking (Geographic Restrictions)

Enforcement layers:

Layer A: IP Geolocation

- Website detects IP address
- **Blocked regions:** Access denied (error page)

Layer B: KYC Verification

- Even if you use VPN, KYC requires proof of address
- **Blocked jurisdictions:** Application rejected

Layer C: Wallet Restrictions

- Even if you somehow acquire HPOT, distribution claims check jurisdiction
- **Blocked participants:** Distributions held in escrow (pending resolution)

Circumvention is very difficult (would require fake documents, which is fraud).

2. Purchase Limits (Anti-Whale)

Rationale: Prevent single participant from controlling too much of a series.

Limits:

- **Per participant:** \$500K maximum in single series
- **Per wallet:** \$1M maximum across all series
- **Concentration:** No single participant can hold >5% of any series

Example:

- Series size: \$10M (10M HPOT)
- Maximum per participant: \$500K (500K HPOT = 5%)
- You apply for \$600K → **Rejected** (over limit)

Exceptions:

- **Institutional investors** (pension funds, family offices) may request higher limits
 - **Approval required:** SPV board + fiduciary review
 - **Disclosure:** Institutional participants disclosed (transparency)
-

3. Gradual Issuance (Supply Management)

HAFS doesn't issue entire series at once.

Phased approach:

Phase 1: Presale (20% of series)

- **Participants:** Early supporters, existing community
- **Timing:** 30 days before hotel acquisition closes
- **Bonus:** Extra HRPT allocation (e.g., +10% HRPT for early commitment)

Phase 2: Primary Sale (60% of series)

- **Participants:** General public (subject to KYC, jurisdiction)
- **Timing:** 90 days post-acquisition
- **Allocation:** First-come-first-served (up to purchase limits)

Phase 3: Reserve (20% of series)

- **Held by SPV:** Not immediately issued

- **Purpose:**
- Future strategic sales (institutional investors)
- Employee/operator incentive allocations
- Liquidity provision (future secondary market)

Why gradual:

- **Price discovery:** Market determines fair value (not dumped all at once)
 - **Community building:** Early participants become advocates
 - **Risk management:** If demand is weak, don't force issuance
-

4. Lock-Up Periods (Anti-Flip)

Early participants (Presale, Phase 1):

- **Lock-up:** 90-180 days (can't transfer)
- **Why:** Reward long-term commitment, prevent pump-and-dump

Primary sale (Phase 2):

- **Lock-up:** 30-90 days (shorter, but still some restriction)

Reserve issuance (Phase 3):

- **Lock-up:** Varies (depends on recipient and purpose)

Distributions still paid during lock-up (you just can't sell).

5. Suitability Screening (Participant Protection)

We reject participants who:

- Can't afford potential loss (investment >25% of net worth)
- Don't understand risks (fail knowledge check)
- Have no prior real estate or crypto experience (and large allocation requested)

This is paternalistic (we know). But:

- **Regulatory requirement** (many jurisdictions require suitability checks)
- **Ethical responsibility** (we don't want participants who will panic-sell or sue when NOI declines)

- **Long-term community** (serious participants create better ecosystem)
-

HAFS Dashboard (Participant View)

What You See

Application status:

- "KYC in progress" (pending)
- "Payment received, awaiting HPOT issuance" (processing)
- "Approved — 20,000 HPOT-A issued to your wallet" (complete)

Series information:

- Available series (with live allocation %)
- Sold out series (waitlist option)
- Upcoming series (pre-registration)

Portfolio:

- All your HPOT holdings (across series)
- Current NAV per HPOT (updated quarterly)
- Distributions received (historical)
- Lock-up status (days remaining until transferable)

ACR monitoring:

- Live ACR for each series you hold
 - Historical ACR chart (trend over time)
 - Alerts if ACR falls below thresholds
-

Common HAFS Questions

Q: Can I participate in multiple series at once?

Yes, subject to overall limits (e.g., \$1M max across all series).

Example:

- HPOT-A: \$30K
 - HPOT-B: \$25K
 - HPOT-C: \$15K
 - **Total: \$70K** (within limits)
-

Q: What if a series sells out before I complete KYC?

Waitlist:

- You're added to waitlist (in order received)
 - If someone cancels or Phase 3 reserve is released, you're notified
 - **Not guaranteed** (first-come-first-served)
-

Q: Can I change my mind after payment?

Cooling-off period: 7 days (in some jurisdictions, regulatory requirement)

Within 7 days:

- You can request refund (full amount, minus wire fees)
- HPOT not yet issued (or issued but clawed back)

After 7 days:

- **No refund** (commitment is final)
 - You can sell HPOT on secondary market (once lock-up expires)
-

Q: What if I send the wrong amount (e.g., \$20K instead of \$15K)?

Overpayment:

- HAFS issues HPOT for full amount received (e.g., 20,000 HPOT)
- **Or:** Refund excess (if you request within 24 hours)

Underpayment:

- HAFS issues HPOT for amount received (e.g., if minimum is \$5K and you send \$4.5K → rejected, refund issued)
-

Q: Can corporations / entities participate (not just individuals)?

Yes, with additional requirements:

- **Corporate KYC:** Certificate of incorporation, beneficial ownership info (who owns/controls entity)
 - **Purpose:** Investment entity, family office, pension fund (commercial entities may be restricted)
 - **Limits:** Same as individuals (e.g., \$500K per series max)
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Summary: HAFS as Gatekeeper

HAFS is the controlled entry point for HPOT participation.

It ensures:

- **Regulatory compliance:** KYC/AML, jurisdiction blocking, accredited investor verification
- **Participant protection:** Suitability screening, purchase limits
- **Issuance health:** ACR monitoring, gradual release, anti-whale measures
- **Anti-speculation:** Lock-ups, allocation management

HAFS is friction (intentionally). This protects:

- **Participants** (from themselves, from scams)
- **The system** (from pump-and-dump, from whales)
- **Homeunity** (from regulatory violations, from lawsuits)

Without HAFS, this structure wouldn't work (too much risk, too little control).

Next: What you'll see — participant reporting and transparency.

13. WHAT YOU'LL SEE: REPORTING AND TRANSPARENCY

Transparency Philosophy

Homeunity operates on radical transparency (within legal and privacy constraints).

What this means:

- **Monthly operational updates** (occupancy, revenue, expenses)
- **Quarterly financial statements** (income statement, balance sheet, cash flow)
- **Real-time dashboard** (digital twin monitoring)
- **On-chain audit trail** (all distributions, votes, transfers publicly visible)
- **Annual reports** (comprehensive performance summary)

Why transparency matters:

- **Accountability:** Operator knows participants are watching
- **Early warning:** Problems detected before they become crises
- **Trust:** You can verify, not just trust

What's NOT public:

- Guest personal data (GDPR compliance)
 - Vendor contracts (commercial confidentiality)
 - Participant KYC info (privacy)
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Monthly Operational Dashboard

What You See Every Month

Delivered: First week of each month (for prior month)

Format: Dashboard (web + mobile app) + optional email digest

Key Metrics

1. Occupancy

Display:

Occupancy: 78.3% vs. Last Month: +2.1% ↗ vs. Last Year: +5.4% ↗ vs. Comp Set: +3.2% ↗

Breakdown:

- Daily occupancy chart (bar graph, 30 days)
- Weekday vs. weekend split
- Source mix (OTA vs. Direct vs. Travel Club)

Comp set: Comparable hotels in same market (STR data or similar)

2. Average Daily Rate (ADR)

Display:

ADR: \$162 vs. Last Month: +\$7 ↗ vs. Last Year: +\$12 ↗ vs. Comp Set: -\$5 ↘
(we're cheaper, filling rooms)

Breakdown:

- ADR trend line (last 12 months)
 - By room type (if applicable)
 - By booking source (OTA ADR vs. Direct ADR)
-

3. Revenue Per Available Room (RevPAR)

Formula:

$$\text{RevPAR} = \text{ADR} \times \text{Occupancy}$$

Display:

RevPAR: \$127 vs. Last Month: +\$5 ↗ vs. Last Year: +\$15 ↗ vs. Comp Set: +\$2 ↗
(outperforming)

Why RevPAR matters: Single metric combining pricing power (ADR) and utilization (occupancy).

4. Revenue (Gross)

Display:

Total Revenue: \$487,000 Room Revenue: \$405,000 (83%) F&B Revenue: \$52,000 (11%)
Ancillary: \$30,000 (6%)

Chart: Revenue breakdown (pie chart or stacked bar)

Trend: Month-over-month comparison (last 6 months line chart)

5. Expenses (Summary)

Display:

Operating Expenses: \$267,000 (55% of revenue) Rooms Dept: \$95,000 (36% of expense) Utilities: \$22,000 (8%) Maintenance: \$18,000 (7%) Other: \$132,000 (49%)

Expense ratio tracking:

Target: 50-55% of revenue Actual: 55% (high end, monitor)

6. Net Operating Income (NOI)

Display:

NOI: \$220,000 NOI Margin: 45% (revenue to NOI conversion) vs. Budget: -\$10,000
↘ (under budget, investigate)

Trend: Last 12 months (line chart showing seasonality)

7. Reserve Fund Status

Display:

Reserve Balance: \$1,250,000 Target: \$1,500,000 (10% of hotel value) Status: 83%
of target (needs replenishment) This Month Allocation: \$44,000 (20% of NOI)

8. Travel Club Usage

Display:

Club Bookings: 127 room-nights (17% of total occupancy) Average Club Rate: \$58/night vs. Market Rate: \$162/night (64% discount) Incremental Contribution: \$8,890 (would have been empty rooms)

Member breakdown:

- Starter: 45 room-nights
 - Member: 38 room-nights
 - Pro: 32 room-nights
 - Elite: 12 room-nights
-

9. Review Score & Reputation

Display:

Overall Score: 4.6 / 5.0 TripAdvisor: 4.5 (152 reviews) Google: 4.7 (89 reviews)
Booking.com: 4.6 (234 reviews) Recent Trends: ↘ (score dropped 0.2 points this month)

Flagged issues:

- "Noise complaints increased (8 mentions in last 30 days)"
- "Breakfast quality criticized (5 negative reviews)"

Operator action plan: (if significant issues)

Events & Alerts

Highlighted events:

- "Week of July 15: Music festival in town (occupancy peaked at 98%)"
- "Maintenance: HVAC servicing completed (\$12K, funded from reserves)"
- "Marketing: New Google Ads campaign launched (targeting summer bookings)"

Alerts:

- 🟢 Green: "RevPAR up 8% month-over-month"
- 🟡 Yellow: "Expense ratio at 55% (high end of target range)"

- ‘ Red: "Review score declined (investigate guest complaints)"
-

Quarterly Financial Statements

What You Receive

Delivered: Within 30 days of quarter end (e.g., Q1 results by April 30)

Format: PDF report (10-15 pages) + interactive dashboard

Prepared by: SPV accounting team

Reviewed by: Fiduciary administrator (Fuchs Treuhand AG)

Contents

1. Income Statement (3 Months)

Example:

Line Item	Q1 2027	Q1 2026	Change
Revenue			
Room Revenue	\$1,215,000	\$1,087,000	+12%
F&B Revenue	\$156,000	\$142,000	+10%
Other Revenue	\$90,000	\$78,000	+15%

Total Revenue	\$1,461,000	\$1,307,000	+12%
Operating Expenses			
Rooms Department	\$285,000	\$267,000	+7%
F&B Department	\$106,000	\$97,000	+9%
Utilities	\$66,000	\$71,000	-7% ↗
Maintenance	\$54,000	\$49,000	+10%
Property Tax & Insurance	\$69,000	\$67,500	+2%
Marketing	\$30,000	\$42,000	-29% ↗
A&G	\$90,000	\$87,000	+3%
Other	\$24,000	\$22,000	+9%
Total Expenses	\$724,000	\$702,500	+3%
Net Operating Income (NOI)	\$737,000	\$604,500	+22%
Distribution Waterfall			
Reserve Allocation (20%)	\$147,400	\$120,900	
Fiduciary Fee	\$8,750	\$8,750	
Platform Fee	\$18,750	\$18,750	
Distributable to HPOT	\$562,100	\$456,100	+23%
Per HPOT (10M issued)	\$0.05621	\$0.04561	+23%

Your distribution (if you hold 50,000 HPOT):

$$50,000 \times \$0.05621 = \$2,810.50 \text{ (Q1 2027)}$$

2. Balance Sheet (As of Quarter End)

Example:

Assets	March 31, 2027	Dec 31, 2026
Current Assets		
Cash	\$487,000	\$412,000
Accounts Receivable	\$67,000	\$59,000
Inventory (F&B, supplies)	\$18,000	\$16,000
Total Current Assets	\$572,000	\$487,000
Fixed Assets		
Land & Building	\$10,000,000	\$10,000,000
FF&E (Furniture, Fixtures, Equipment)	\$1,200,000	\$1,250,000
Less: Accumulated Depreciation	(\$450,000)	(\$400,000)
Net Fixed Assets	\$10,750,000	\$10,850,000
Reserve Fund	\$1,400,000	\$1,252,600
Total Assets	\$12,722,000	\$12,589,600

Liabilities & Equity		
Current Liabilities		
Accounts Payable	\$52,000	\$48,000
Accrued Expenses	\$34,000	\$29,000
Deferred Revenue (deposits)	\$23,000	\$18,000
Total Liabilities	\$109,000	\$95,000
HPOT Holder Equity		
HPOT Issuance (10M @ \$1)	\$10,000,000	\$10,000,000

Retained Earnings	\$2,613,000	\$2,494,600
Total Equity	\$12,613,000	\$12,494,600
Total Liabilities & Equity	\$12,722,000	\$12,589,600

NAV per HPOT:

Net Assets = \$12,613,000 Total HPOT = 10,000,000 NAV = \$1.26 per HPOT (up from \$1.25 last quarter)

3. Cash Flow Statement

Shows:

- Cash from operations (NOI - working capital changes)
- Cash from investing (CapEx spent, reserve allocations)
- Cash from financing (HPOT distributions paid)

Purpose: Understand cash movements (different from accrual accounting in income statement)

4. Management Discussion & Analysis (MD&A)

Narrative section (2-3 pages):

Performance highlights:

- "Q1 RevPAR increased 22% year-over-year, driven by strong spring tourism"
- "Occupancy reached 83%, highest Q1 on record"
- "Travel Club contributed 18% of room-nights, filling off-peak periods"

Challenges:

- "Utility costs remain elevated (energy prices up 15% vs. last year)"
- "Review score declined to 4.6 (from 4.8) due to breakfast service complaints"

Operator actions:

- "Breakfast service redesigned (new chef hired, expanded menu)"

- "Energy efficiency upgrades scheduled for Q2 (LED lighting, smart thermostats)"

Outlook:

- "Q2 bookings pacing 12% ahead of last year"
 - "Summer forecast: 88% occupancy (vs. 81% last year)"
-

5. Reserve Fund Detail

Opening balance: \$1,252,600

Additions:

- Q1 NOI allocation (20%): \$147,400

Deductions:

- HVAC maintenance: -\$12,000
- Roof repair: -\$8,000

Closing balance: \$1,400,000

Projected CapEx (next 12 months):

- Bathroom renovations (Phase 1): \$250,000 (Q3)
- Furniture refresh: \$80,000 (Q4)

Reserve adequacy: On track to meet \$1.5M target by year-end.

Annual Report (Comprehensive)

Delivered Annually

Timeline: Within 90 days of year-end (e.g., 2027 results by March 31, 2028)

Format: Professional PDF (30-50 pages) + video summary (optional)

Contents:

1. Letter from SPV Board

- Year in review
- Major accomplishments, challenges
- Strategy for coming year

2. Full Financial Statements (Audited, if required)

- 12-month income statement, balance sheet, cash flow
- Auditor's opinion (clean, qualified, or adverse)
- Notes to financial statements (accounting policies, assumptions)

3. Operational Performance Analysis

- Occupancy trends (monthly chart, seasonality analysis)
- ADR evolution (pricing strategy effectiveness)
- Comp set benchmarking (how did we perform vs. market?)

4. Travel Club Impact Report

- Total Club room-nights (annual)
- Revenue contribution (direct + incremental)
- Member satisfaction scores

5. ESG / Sustainability Report (If Applicable)

- Energy consumption (kWh per room-night)
- Water usage (liters per guest)
- Waste reduction initiatives
- Community involvement (local hiring, charity partnerships)

6. Capital Expenditures Summary

- CapEx spent (what was done, cost, impact)
- Before/after photos (renovations)
- ROI analysis (e.g., "New HVAC reduced energy costs 18%")

7. Risk Register Update

- Key risks identified (market downturn, competition, regulatory changes)
- Mitigation actions taken
- New risks emerged

8. Governance Summary

- Votes held (disposition proposals, CapEx approvals, etc.)
- Results (% voted for/against)
- Board changes (if any)

9. Tax Information

- K-1 equivalent (for U.S. participants, if applicable)

- Summary of distributions (for tax reporting)
 - Withholding tax details
-

Real-Time Digital Twin Dashboard

Always-On Monitoring

Access: 24/7 via web or mobile app

Update frequency:

- **Occupancy:** Every 15 minutes (live)
 - **Revenue:** Daily (midnight rollup)
 - **Bookings:** Real-time (as reservations come in)
 - **Reviews:** Every 6 hours (scraped from TripAdvisor, Google, Booking.com)
-

Dashboard Modules

Module 1: At-a-Glance

Today's snapshot:

Occupancy: 87% (87 of 100 rooms) Rooms sold today: 12 (so far) Check-ins today: 34 Check-outs today: 29 Tomorrow's occupancy: 91% (91 booked) This week's average: 84%

Quick links:

- View detailed occupancy calendar
- See revenue trends
- Check review alerts

Module 2: Booking Pace

Forward visibility:

- **Next 7 days:** 82% average occupancy (587 room-nights booked)
- **Next 30 days:** 76% average (2,280 room-nights booked)
- **Next 90 days:** 68% average (6,120 room-nights booked)

Pace vs. last year:

+7 days: 82% (vs. 78% same period last year) ↗ +30 days: 76% (vs. 71%) ↗ +90 days: 68% (vs. 65%) ↗

Interpretation: "Bookings pacing ahead of last year. Strong demand signals."

Module 3: Revenue Dashboard

Month-to-date (MTD):

Days elapsed: 18 / 31 Revenue: \$298,000 Target: \$487,000 (monthly goal) Pace: 61% (on track)

Daily revenue chart: Bar graph (last 30 days)

Revenue mix:

OTA: 68% (\$203,000) Direct: 15% (\$45,000) Travel Club: 17% (\$50,000)

Module 4: Expense Tracker

Month-to-date expenses:

Total: \$145,000 (30% of MTD revenue) Budget: \$267,000 (monthly target) Variance: -\$122,000 under budget (18 days left in month)

Breakdown:

- Labor: \$67,000 (46% of expense)
- Utilities: \$12,000 (8%)
- Supplies: \$18,000 (12%)
- Other: \$48,000 (33%)

Alerts:

- ⚠ "Utilities tracking 8% over budget (investigate HVAC efficiency)"

Module 5: Review Monitor

Live review feed:

Latest Review (2 hours ago): ★★★★★ "Amazing stay! Room was spotless, staff super friendly." - Google Reviews Latest Review (5 hours ago): ★★★☆☆ "Good location but breakfast was disappointing." - TripAdvisor

Sentiment analysis:

Positive mentions: "clean" (12), "friendly" (8), "location" (15) Negative mentions: "breakfast" (5), "noise" (3), "WiFi" (2)

Action needed: "Breakfast complaints trending up. Operator alerted."

Module 6: Comp Set Comparison

Your hotel vs. market:

Metric	Your Hotel	Comp Set Avg	Variance
Occupancy	78%	74%	+4% ↗
ADR	\$162	\$167	-\$5 ↘

RevPAR	\$126	\$124	+\$2 ↗
Review Score	4.6	4.5	+0.1 ↗

Interpretation: "You're filling more rooms (higher occupancy) at slightly lower price (competitive pricing strategy). Overall RevPAR ahead of market."

Module 7: Distribution Forecast

Next distribution (Q2 2027):

Estimated NOI: \$650,000 - \$720,000 (range) Reserve allocation: \$130,000 - \$144,000 Priority fees: \$27,500 Estimated distributable: \$492,500 - \$548,500
Your estimated distribution (50,000 HPOT): \$2,462 - \$2,742 Estimated record date: June 30, 2027 Estimated payment date: Aug 10, 2027

Disclaimer: Estimates based on current trends. Actual may vary.

On-Chain Transparency

What's Publicly Visible (BSC Blockchain)

1. HPOT Transfers

- **Who:** All HPOT holders (wallet addresses)
- **What:** Transfer amounts, dates
- **Where:** BSCScan (block explorer)

Example:

Transaction: 0xabcl23... From: 0x7d8f... (Wallet A) To: 0x92a3... (Wallet B)
Amount: 10,000 HPOT-A Date: April 10, 2027

Privacy: Wallet addresses pseudonymous (not linked to real names publicly).

2. Distribution Events

- **When:** Each distribution authorized
- **Amount:** Total distributable, per-HPOT rate
- **Record date:** Snapshot date

Example:

```
Event: DistributionAuthorized Series: HPOT-A Distribution ID: 12 Amount:
$562,100 Per HPOT: $0.05621 Record Date: March 31, 2027 Payment Date: May 10,
2027
```

3. Governance Votes

- **Proposals:** Full text (description, options)
- **Votes:** Who voted (wallet addresses), how they voted (for/against), vote weight (HPOT balance)
- **Results:** Final tally, outcome (passed/failed)

Example:

```
Proposal ID: 5 Description: "Sell Hotel A for $14M" Votes For: 7,850,000 HPOT
(78.5%) Votes Against: 1,200,000 HPOT (12%) Abstain: 950,000 HPOT (9.5%) Result:
PASSED (75% supermajority met)
```

4. Oracle Data Feeds

- **NOI:** Quarterly snapshots
- **Occupancy:** Weekly averages
- **NAV:** Quarterly updates

Example:

```
Oracle Update: Q1_2027_NOI Series: HPOT-A NOI: $737,000 Timestamp: April 5,
2027 Validators: 5 / 5 confirmed
```

Tax Reporting

What You Receive

Annually (by January 31 for prior year):

For Non-U.S. Participants

- **Distribution summary:** Total distributions received (USD)
- **Withholding tax:** Swiss withholding applied (if any), treaty rate
- **NAV statement:** Beginning/ending NAV per HPOT (for capital gains calculation if you sell)

Format: PDF + CSV export

For U.S. Participants (If Applicable)

- **Form 1099-DIV equivalent:** Distributions as ordinary income (or potentially as return of capital, depending on structure)
- **Schedule K-1 equivalent:** If SPV treated as partnership for U.S. tax purposes
- **Foreign tax credit info:** Swiss withholding (to claim credit on U.S. return)

Consult your U.S. tax advisor (this is NOT tax advice).

Tax Treatment Variability

Distributions may be taxed as:

- **Ordinary income** (most common)
- **Return of capital** (if distribution exceeds current-year earnings)
- **Capital gains** (if selling HPOT, based on NAV appreciation)

Depends on:

- Your jurisdiction
- SPV structure
- Your holding period
- Tax treaties (between Switzerland and your country)

We provide data. You handle filing.

Information Hierarchy

What You Get, When

Frequency	Information	Audience
Real-time	Digital Twin (occupancy, bookings, reviews)	HPOT holders (via dashboard)
Daily	Revenue snapshots, booking pace	HPOT holders (via dashboard)
Weekly	Occupancy summary, expense alerts	HPOT holders (email digest, optional)
Monthly	Full operational dashboard (9 key metrics)	HPOT holders (dashboard + email)
Quarterly	Financial statements, distribution calculation	HPOT holders (PDF + dashboard)
Annually	Comprehensive report, audited financials, tax docs	HPOT holders (PDF + video summary)
On-demand	Governance proposals, votes, major events	HPOT holders (email alerts)

Participant Support

How to Get Help

Dashboard help center:

- FAQs (common questions answered)
- Video tutorials (how to navigate dashboard, claim distributions)
- Glossary (NOI, ADR, RevPAR, ACR — definitions)

Email support:

- General: support@homeunity.io
- Technical: tech@homeunity.io
- Financial: finance@homeunity.io

Response time: 24-48 hours (business days)

Live chat: Available during business hours (9 AM - 6 PM CET)

Community Forum (Optional)

Participant-only forum:

- Discuss performance
- Share travel experiences (Travel Club)
- Ask questions (other participants + Homeunity team responds)

Moderation: Homeunity team (prevent misinformation, spam)

Not official communication channel: For official info, refer to dashboard/email.

Summary: You're Never in the Dark

Homeunity's transparency commitment:

- **Monthly operational data** (know how the hotel is performing)
- **Quarterly financial statements** (audited, fiduciary-reviewed)
- **Real-time monitoring** (digital twin dashboard, always on)
- **On-chain audit trail** (distributions, votes, transfers publicly verifiable)
- **Annual comprehensive reports** (deep dive into performance, strategy)

You see what institutional investors see (no information advantage for whales).

Operator knows you're watching (accountability through visibility).

Early warning system (problems flagged before they become crises).

Next: How Travel Club usage impacts NOI — the economics of internal rates.

14. TRAVEL CLUB ECONOMICS: HOW USAGE AFFECTS NOI

The Central Question

If Travel Club members pay 50-85% below market rates, doesn't that hurt hotel NOI?

Short answer: No, when structured correctly.

Long answer: Let's do the math.

The Incremental Occupancy Model

Key Insight: Empty Rooms Earn Zero

Traditional hotel problem:

- Peak demand (weekends, holidays): **100% occupancy** at high rates
- Off-peak (weekdays, shoulder season): **50% occupancy** → half the rooms empty

Empty room economics:

Revenue: \$0 Variable cost: \$0 (no housekeeping, utilities minimal) Contribution to NOI: \$0

Travel Club opportunity:

- Fill off-peak rooms at internal rates
- **\$60 revenue > \$50 variable cost = \$10 contribution to NOI**
- **\$10 > \$0** → incremental value

This is the core thesis: Travel Club fills rooms that would otherwise be empty, adding NOI even at discounted rates.

Scenario Analysis: With vs. Without Travel Club

Baseline: 100-Room Hotel, No Travel Club

Annual performance:

Metric	Peak Season (6 months)	Off-Peak Season (6 months)	Annual Total
Occupancy	85%	55%	70% avg
ADR (OTA net)	\$140	\$100	\$120 avg

Room-nights sold	15,300 (85% × 100 × 180)	9,900 (55% × 100 × 180)	25,200
Room revenue	\$2,142,000	\$990,000	\$3,132,000

Other revenue: \$400,000 (F&B, ancillary)

Total revenue: \$3,532,000

Operating expenses: \$1,950,000 (55% of revenue)

NOI: \$1,582,000

With Travel Club: Filling Off-Peak Gaps

Changes:

Peak season: No change (already full, no need for Club bookings)

Off-peak season:

- Occupancy: 55% → **68%** (+13% from Club members)
- Additional room-nights: 13% × 100 × 180 = **2,340 room-nights**
- Club rate: \$60/night
- **Additional revenue:** 2,340 × \$60 = **\$140,400**

But:

- **Variable costs increase:** 2,340 × \$50 = **\$117,000** (housekeeping, utilities, supplies for Club guests)

Net contribution to NOI:

$$\$140,400 \text{ (Club revenue)} - \$117,000 \text{ (variable costs)} = \$23,400$$

Plus: Club members spend on F&B, ancillary services (estimated \$20/stay)

2,340 room-nights × \$20 = \$46,800 ancillary revenue Minus ancillary costs (60%):
-\$28,080 Net ancillary contribution: \$18,720

Total incremental NOI: \$23,400 + \$18,720 = \$42,120

Updated Performance (With Travel Club)

Metric	Value
Baseline NOI (no Club)	\$1,582,000
Incremental NOI (Club)	\$42,120
Total NOI	\$1,624,120
Increase	+2.7%

Distribution impact (10M HPOT series, 20% reserves):

- Baseline distributable: \$1,265,600/year
- With Club distributable: \$1,299,296/year
- **Additional distribution per HPOT: \$0.0034/year**
- **For 50,000 HPOT holder: +\$168/year**

Not huge, but positive. And remember: this is **incremental** (wouldn't exist without Club).

The Displacement Risk

When Travel Club HURTS NOI

Scenario: Club member books a room that **would have sold** to OTA guest at higher rate.

Example:

- Saturday night in July (peak demand)
- OTA guest would pay \$200 (hotel nets \$160 after commission)
- Club member books at \$60
- **Hotel loses: \$160 - \$60 = \$100 in NOI**

This is the risk we must avoid.

Mitigation Strategies

1. Capacity Allocation Limits

Only 5-15% of total capacity reserved for Travel Club.

Example (100-room hotel):

- Total rooms: 100
- Club allocation: 10 rooms maximum (10%)
- OTA/Direct allocation: 90 rooms minimum

During high demand:

- If 90+ rooms already booked (OTA/Direct), **Club bookings blocked** (capacity preserved for higher-value guests)
-

2. Dynamic Availability

Club access restricted based on demand forecast.

Rules:

- **Forecasted occupancy >80%:** Club bookings only available <48 hours before arrival (last-minute fill)
- **Forecasted occupancy 60-80%:** Club bookings available <7 days
- **Forecasted occupancy <60%:** Club bookings fully open (30+ days advance)

AI-driven forecasting:

- Analyze historical booking patterns
 - Factor in events (festivals, conferences, holidays)
 - Predict: "This weekend will hit 95% occupancy → block Club bookings"
-

3. Tiered Pricing Surge

Club rates increase during peak demand (but still below market).

Example:

- **Off-peak Club rate:** \$60
- **Mid-demand Club rate:** \$85 (+42%)
- **Peak demand Club rate:** \$120 (+100%)
- **Market rate (OTA net):** \$160

Even at \$120, Club member saves \$40 vs. market (25% discount), but hotel captures more value.

4. Priority Tier Rationing

Higher tiers get access during constrained periods.

Example (high-demand weekend):

- **Starter tier:** Blocked (sorry, sold out)
- **Member tier:** Waitlist (may get last-minute cancellations)
- **Pro tier:** Limited availability (2-3 rooms held)
- **Elite tier:** Guaranteed (instant confirmation)

This rewards higher-tier members (who hold more HRPT, more committed to ecosystem).

The F&B and Ancillary Multiplier

Club Members Spend More On-Site

Why:

- **They saved money on the room** → more budget for other spending
- **They're ecosystem participants** → higher engagement, loyalty

Data (illustrative, from similar models):

Guest Type	Room Rate Paid	On-Site F&B Spend	Ancillary Spend	Total Contribution
OTA Guest	\$200 (net \$160)	\$15	\$5	\$180
Club Member	\$60	\$35	\$15	\$110

Wait, \$110 < \$180, so Club is worse?

No, because:

- **OTA guest would NOT have booked** if Club member filled an otherwise-empty room (incremental)
 - **In displacement scenario** (Club replaced OTA), yes, \$110 < \$180 → bad
 - **But mitigation strategies prevent displacement** (capacity limits, dynamic availability)
-

Ancillary Revenue Breakdown

What Club members buy:

- **F&B:** Breakfast (\$12), lunch (\$18), dinner (\$25), bar (\$15) → average \$35/stay
- **Spa services:** 15% of Club guests book spa → \$60 average
- **Parking:** \$10/night
- **Activities:** Hotel-organized tours, excursions → \$30 average (20% take-rate)

Blended ancillary: ~\$20/room-night average

Compare to OTA guests: ~\$10/room-night average (they budget less because room cost is

high)

Club members create 2x ancillary revenue even though they pay less for the room.

The Long-Term Value: Customer Lifetime Value (CLV)

OTA Guest CLV

Typical OTA guest:

- **Stays:** 1.1 lifetime (most never return)
 - **Revenue per stay:** \$160 (net after commission)
 - **Ancillary:** \$10
 - **Total CLV:** $1.1 \times (\$160 + \$10) = \$187$
-

Club Member CLV

Typical Club member:

- **Stays:** 4.5 lifetime (repeat customers, build relationships)
- **Revenue per stay:** \$60 (room) + \$35 (F&B) + \$15 (ancillary) = \$110
- **Total CLV:** $4.5 \times \$110 = \495

Club members are worth 2.6x more over lifetime despite paying lower room rates.

Why Club Members Return

Loyalty drivers:

- **Saved money** (positive experience reinforcement)
- **Community:** Feel part of ecosystem (HRPT holders, HPOT participants)
- **Familiarity:** Know the hotel, staff recognize them
- **Seamless booking:** AI concierge makes it easy

Compare to OTA:

- **Transactional** (one-time booking, no relationship)
 - **Commoditized** (hotel competes on price alone, guests don't build loyalty)
-

Net Impact on NOI: The Full Picture

Conservative Model (100-Room Hotel)

Assumptions:

- **Club bookings:** 15% of total occupancy (incremental off-peak fill)
- **Average Club rate:** \$65 (after tier discounts, dynamic pricing)
- **Variable cost:** \$50/night
- **Ancillary revenue:** \$20/night (Club guests)
- **Annual Club room-nights:** 5,475 (15% × 100 rooms × 365 days)

Revenue:

Room revenue: $5,475 \times \$65 = \$355,875$ Ancillary revenue: $5,475 \times \$20 = \$109,500$
Total Club revenue: \$465,375

Costs:

Variable costs: $5,475 \times \$50 = \$273,750$ Ancillary costs (60%): \$65,700 Total
Club costs: \$339,450

Net contribution to NOI:

$\$465,375 - \$339,450 = \$125,925$

As % of baseline NOI (\$1,582,000):

$\$125,925 / \$1,582,000 = +8.0\%$ NOI increase

Upside Scenario (Aggressive Club Usage)

Assumptions:

- **Club bookings:** 25% of total occupancy (highly engaged members)
- **Average Club rate:** \$70 (some peak-demand bookings)
- **Ancillary revenue:** \$25/night (higher F&B spend)

Net contribution:

Room: $9,125 \times \$70 = \$638,750$ Ancillary: $9,125 \times \$25 = \$228,125$ Total revenue: $\$866,875$ Variable costs: $9,125 \times \$50 = \$456,250$ Ancillary costs: $\$136,875$ Total costs: $\$593,125$ Net contribution: $\$273,750$ (+17.3% NOI increase)

Downside Scenario (Displacement)

Assumptions:

- **50% of Club bookings displace OTA** (poor capacity management)
- **OTA net rate:** \$140/night
- **Club rate:** \$60/night
- **Loss per displaced booking:** $\$140 - \$60 = \$80$

Net impact:

Incremental bookings (50%): $+\$125,925$ (from conservative model) Displaced bookings (50%): $2,737 \times -\$80 = -\$219,000$ Net contribution: $-\$93,075$ (-5.9% NOI decrease)

This is why mitigation strategies are critical.

Design Principles to Protect NOI

1. Club Is Incremental, Not Substitutive

Golden rule: Travel Club fills **empty rooms**, not rooms that would sell to OTA.

Enforcement:

- Capacity limits (5-15% max)
 - Dynamic availability (block Club during high demand)
 - Operator incentives (operator earns more when total NOI is high, not just Club bookings)
-

2. Transparent Reporting

Monthly dashboard shows:

- Club bookings as % of total occupancy
- Displacement estimate (rooms that could have sold OTA)
- Net contribution to NOI (positive or negative)

If displacement detected:

- Alert triggered
 - Operator adjusts (tighten Club availability)
 - HPOT holders notified (transparency)
-

3. Operator Alignment

Operator compensation includes:

- **Base fee:** 3-5% of revenue (includes Club revenue)
- **Performance fee:** 10-20% of NOI above threshold

Alignment:

- Operator wants **high NOI** (maximizes performance fee)
 - **Not** incentivized to displace OTA with Club (would lower total NOI → lower performance fee)
-

4. Continuous Optimization

AI analyzes:

- Which days/times Club bookings are truly incremental (Mon-Thu off-peak)
- Which days/times displacement risk is high (Fri-Sat peak season)

Adjustments:

- Dynamically open/close Club availability
 - Adjust Club pricing (surge during constrained periods)
 - Communicate to Club members ("Book early for summer — limited Club availability")
-

Case Study: How It Works in Practice

Month 1 (January — Off-Peak)

Occupancy without Club: 50% (3,100 room-nights sold)

Club contribution:

- Club bookings: 800 room-nights (would have been empty)
- Club rate: \$55/night
- Revenue: \$44,000
- Variable cost: \$40,000
- **Net contribution: \$4,000**

Plus ancillary: \$16,000 revenue - \$9,600 cost = \$6,400 net

Total contribution: \$10,400

Result: NOI increased 12% for the month (vs. no-Club baseline)

Month 2 (August — Peak)

Occupancy without Club: 90% (5,580 room-nights sold via OTA/Direct)

Club contribution:

- Club bookings: 150 room-nights (last-minute fills, low displacement)
- Club rate: \$95/night (dynamic surge pricing)
- Revenue: \$14,250
- Variable cost: \$7,500
- **Net contribution: \$6,750**

Plus ancillary: \$3,000 revenue - \$1,800 cost = \$1,200 net

Total contribution: \$7,950

Result: NOI increased 1.8% for the month (small but positive)

Month 3 (April — Shoulder Season)

Occupancy without Club: 65% (4,030 room-nights sold)

Club contribution:

- Club bookings: 620 room-nights
- Club rate: \$60/night
- Revenue: \$37,200

- Variable cost: \$31,000
- **Net contribution: \$6,200**

Plus ancillary: \$12,400 - \$7,440 = \$4,960 net

Total contribution: \$11,160

Result: NOI increased 9% for the month

Annual Summary

Total Club contribution: \$125,925 (conservative model)

Monthly variability:

- High off-peak months (Jan, Feb, Nov, Dec): +10-15% NOI
- Shoulder months (Apr, May, Sep, Oct): +5-10% NOI
- Peak months (Jun, Jul, Aug): +1-3% NOI

Net effect: Smooths NOI across the year (reduces seasonality volatility).

Summary: Travel Club as NOI Enhancer

Travel Club does NOT hurt NOI when:

- Bookings are **incremental** (filling empty rooms)
- Capacity is **capped** (5-15% max, preserves OTA revenue)
- Availability is **dynamic** (blocked during high demand)
- Pricing adjusts (surge during constraints)
- Operator is **aligned** (incentivized to maximize total NOI, not just Club volume)

Travel Club DOES hurt NOI when:

- Displacement occurs (Club replaces high-value OTA bookings)
- Capacity management fails (no limits, no forecasting)
- Pricing is static (always \$60, even during peak)

Our mitigation strategies prevent downside.

Result: Travel Club is **NOI-accretive** (adds 5-10% to baseline NOI in well-managed hotels).

HPOT holders benefit (higher NOI → higher distributions).

HRPT holders benefit (access to internal rates).

Win-win.

Next: Digital Twin Governance — automated monitoring without control.

15. DIGITAL TWIN GOVERNANCE: AUTOMATED MONITORING WITHOUT CONTROL

What Is a Digital Twin?

Definition: A **virtual replica** of a physical asset (in this case, a hotel) that mirrors real-world operations in real-time.

In traditional manufacturing:

- Digital twin of a factory floor (monitors machines, predicts failures)
- Digital twin of an aircraft engine (tracks performance, schedules maintenance)

In Homeunity:

- Digital twin of each hotel (monitors occupancy, revenue, expenses, reviews, bookings)

Purpose: Visibility without intervention. You can see what's happening, but you can't click a button to change room rates or fire staff (that's operator's job).

Why "Governance" in the Name?

Traditional governance: Vote on decisions (board elections, major CapEx, disposition).

Digital Twin Governance: Automated oversight through data transparency and alert systems.

How it governs:

- **Flags performance issues** → Triggers investigation (operator, SPV board)
- **Detects anomalies** → Escalates to fiduciary, HPOT holders
- **Provides accountability** → Operator knows participants are watching

It's governance through transparency, not through voting (you don't vote on daily operations).

Architecture: How the Digital Twin Works

Data Sources

1. Property Management System (PMS)

- **System:** Opera, Cloudbeds, Mews, or similar
- **Data:** Reservations, check-ins, check-outs, room status, guest info (anonymized)
- **Frequency:** Real-time API feed (updates every 15 minutes)

2. Accounting System

- **System:** QuickBooks, Xero, SAP, or similar
- **Data:** Invoices, expenses, payroll, bank transactions
- **Frequency:** Daily batch upload (midnight UTC)

3. Channel Manager

- **System:** SiteMinder, RateGain, or similar
- **Data:** OTA bookings (Booking.com, Expedia, etc.), pricing across channels
- **Frequency:** Real-time

4. Review Aggregator

- **Sources:** TripAdvisor, Google Reviews, Booking.com reviews
- **Data:** Review text, ratings, sentiment
- **Frequency:** Every 6 hours (scraper API)

5. Market Data Provider

- **Source:** STR (Smith Travel Research), or similar
 - **Data:** Comp set performance (occupancy, ADR, RevPAR for comparable hotels)
 - **Frequency:** Weekly
-

Data Pipeline

```
PMS / Accounting / Reviews / Market Data      ↓ API Integrations (real-time or
batch)      ↓ Homeunity Data Warehouse (PostgreSQL)      ↓ Validation &
Normalization      ↓ Analytics Engine (calculations: NOI, RevPAR, trends,
anomalies)      ↓ Oracle Smart Contract (push key metrics on-chain)      ↓
Dashboard (web + mobile app)
```

Everything flows from real operations → processed → visible to participants.

What Gets Calculated

Real-time metrics:

- Current occupancy (% of rooms occupied right now)
- Today's ADR (average rate for rooms sold today)
- Booking pace (reservations on the books for next 7/30/90 days)

Daily rollups:

- Yesterday's revenue (rooms, F&B, ancillary)

- Yesterday's occupancy
- Review score updates

Weekly aggregates:

- Week-over-week occupancy trend
- Revenue vs. forecast
- Expense variance

Monthly summaries:

- Full income statement (revenue, expenses, NOI)
- Reserve fund status
- Comp set comparison

Quarterly calculations:

- Distribution waterfall (NOI → reserves → fees → distributable)
 - NAV update (property value estimate + reserves)
-

The Monitoring Dashboard (HPOT Holder View)

Module 1: Real-Time Occupancy

Display:

Current Occupancy: 87% Rooms Occupied: 87 / 100 Check-ins Today: 34 Check-outs Today: 29 Rooms Available Tonight: 13

Visual: Hotel floor plan (color-coded)

- Green: Occupied
- Red: Vacant
- Yellow: Reserved (arriving later today)
- Gray: Out of order (maintenance)

Trend: 7-day occupancy chart (line graph)

Module 2: Revenue Dashboard

Today (so far):

Revenue: \$14,250 (87 rooms × \$164 ADR) Bookings Today: 12 new reservations (\$1,968 revenue) Cancellations Today: 3 (-\$510 revenue)

Month-to-Date:

Revenue: \$298,000 Target: \$487,000 (monthly goal) Days Elapsed: 18 / 31 Pace: 61% (on track)

Visual: Daily revenue bars (last 30 days), target line overlaid

Module 3: Booking Pace (Forward Visibility)

Next 7 days:

Mon: 82% (82 rooms booked) Tue: 78% (78 rooms) Wed: 75% Thu: 79% Fri: 91% Sat: 95% Sun: 88% Average: 84%

Next 30 days:

Booked: 2,280 room-nights (76% of capacity) vs. Last Year Same Period: 71% (pacing +5% ↗)

Visual: Occupancy heatmap (calendar view, color intensity = occupancy %)

Module 4: Expense Tracker

Month-to-Date:

Total Expenses: \$145,000 (30% of MTD revenue) Monthly Budget: \$267,000
Remaining Budget: \$122,000 (18 days left) Burn Rate: On track

Category Breakdown:

Labor: \$67,000 (46% of expense) Utilities: \$12,000 (8%) Supplies: \$18,000 (12%)
Maintenance: \$9,000 (6%) Other: \$39,000 (27%)

Alerts:

- "Utilities +8% vs. budget (investigate HVAC usage)"
 - "Labor costs under budget (efficient scheduling)"
-

Module 5: Review Monitor & Sentiment

Overall Score:

4.6 / 5.0 TripAdvisor: 4.5 (152 reviews) Google: 4.7 (89 reviews) Booking.com:
4.6 (234 reviews)

Trend: Score over last 6 months (line chart) — **trending down slightly** ↘

Recent Reviews (last 24 hours):

★★★★★ "Perfect stay, highly recommend!" - Google (2 hours ago) ★★★☆☆
"Good location but room was noisy" - TripAdvisor (5 hours ago) ★★★★★ "Nice
hotel, breakfast could be better" - Booking.com (8 hours ago)

Sentiment Analysis:

Positive Keywords: "clean" (12 mentions), "friendly" (8), "location" (15)
Negative Keywords: "noise" (7 mentions), "breakfast" (5), "WiFi" (3)

Alert:

- "Noise complaints up 40% this month (investigate rooms near elevator)"

Module 6: NOI Forecast

Current Month (Estimate):

Revenue (forecast): \$487,000 Expenses (forecast): \$267,000 NOI (forecast): \$220,000 vs. Budget: -\$10,000 ↘ (under budget, analyze)

Next Quarter (Q2 Estimate):

NOI Range: \$650,000 - \$720,000 Distributable Range: \$492,000 - \$548,000 Your Estimated Distribution (50,000 HPOT): \$2,460 - \$2,740

Disclaimer: Estimates based on current trends. Actual results may vary.

Module 7: Comp Set Benchmarking

Your Hotel vs. Market (This Month):

Metric	Your Hotel	Market Avg	Variance
Occupancy	78%	74%	+4% ↗
ADR	\$162	\$167	-\$5 ↘
RevPAR	\$126	\$124	+\$2 ↗

Interpretation:

"You're filling more rooms at slightly lower rates (competitive pricing). Overall RevPAR ahead of market. Good performance."

Visual: Bar chart comparing your hotel vs. comp set (occupancy, ADR, RevPAR side-by-side)

Alert System: Flags, Not Commands

Alert Types

Level 1: Informational (Green ð)

- "Occupancy +5% week-over-week"
- "New review posted (4 stars)"
- "Booking pace ahead of last year"

Action: None required (just FYI)

Level 2: Warning (Yellow ð)

- "Expense ratio at 57% (above target range of 50-55%)"
- "Review score declined 0.1 points this week"
- "Utilities expense +10% vs. last month"

Action: Operator investigates, may self-correct

Level 3: Critical (Red ð)

- "Review score dropped from 4.8 to 4.2 (15+ negative reviews in 7 days)"
- "Occupancy 30% below forecast (major issue)"
- "Expense category spiking (maintenance +50% vs. budget)"

Action:

- Operator required to respond (written explanation within 48 hours)
- SPV board notified
- HPOT holders alerted (dashboard banner + email)

Level 4: Emergency (Purple É)

- "Force majeure event (natural disaster, fire, flood)"
- "Regulatory shutdown (health code violation, safety issue)"
- "Smart contract exploit detected"

Action:

- Immediate notification (SMS, email, push notification)
 - Emergency response plan activated
 - Distribution suspension (if necessary)
 - HPOT holder town hall (within 72 hours)
-

Alert Response Flow

Example: Expense Alert

T+0: Utility expense +15% vs. budget (É Yellow alert triggered)

T+2 hours: Operator receives alert (automated email)

T+24 hours: Operator investigates

- Finding: HVAC system running inefficiently (needs servicing)
- Action: Schedule HVAC maintenance (cost: \$12K, funded from reserves)

T+48 hours: Operator posts update to dashboard

- "Utility spike due to HVAC inefficiency. Maintenance scheduled for next week. Expected savings: \$3K/month after fix."

T+7 days: Maintenance completed, alert cleared

T+30 days: Utility expense back to normal (alert resolved)

HPOT holders see full timeline (transparency in problem identification → resolution).

Anomaly Detection (AI-Powered)

What Gets Flagged Automatically

Revenue anomalies:

- **Sudden drop:** Revenue down 20%+ week-over-week (not explained by seasonality)
- **Pricing error:** ADR drops 30% (possible PMS configuration error)

Expense anomalies:

- **Spike:** Any expense category up 30%+ (fraud detection, vendor error)
- **Missing expenses:** Expected expense not recorded (payroll missing, red flag)

Occupancy anomalies:

- **Unexpected vacancy:** 40% occupancy during peak season (something wrong)
- **Overbooking:** 105% occupancy recorded (PMS error, investigate)

Review anomalies:

- **Review bombing:** 10+ negative reviews in 24 hours (coordinated attack? competitor?)
 - **Sentiment shift:** Sudden negative keyword spike ("dirty" mentioned 8x this week, was 0 before)
-

Machine Learning Models

Occupancy forecasting:

- Train on historical data (2+ years)
- Factor in seasonality, events, trends
- **Predict:** "Next weekend expected 88% occupancy ($\pm 5\%$)"

Expense prediction:

- Model normal expense patterns (by month, by category)
- **Alert:** "Labor costs 20% above predicted (overstaffing?)"

Revenue optimization:

- Suggest: "Lower ADR by 5% for Tue-Wed (increase occupancy 10%, net RevPAR +3%)"
 - **Note:** Operator decides whether to accept (AI suggests, operator executes)
-

Governance Through Data: The Accountability Mechanism

How It Works

Operator knows:

- Every metric is visible (occupancy, expenses, reviews, NOI)
- HPOT holders are watching
- Anomalies trigger alerts (can't hide problems)
- Performance benchmarked vs. comp set (can't claim "market was bad" if comps did well)

This creates implicit governance:

- **Reputational incentive:** Operator wants good performance (future contracts depend on track record)
- **Economic incentive:** Performance fee tied to NOI (higher NOI → higher operator earnings)
- **Transparency pressure:** Poor performance is visible (hard to make excuses)

Even without voting on daily operations, participants exert influence through visibility.

When Digital Twin Triggers Formal Governance

Digital Twin detects issue → SPV board investigates → If severe, HPOT holder vote called

Example:

Week 1: Digital Twin flags: "Occupancy 40% below forecast for 3 consecutive weeks"

Week 2: SPV board requests operator explanation

- Operator: "Local construction project deterring tourists (temporary)"

Week 4: Occupancy still down, no improvement

- Board: "This isn't just construction. Comp set occupancy is normal. What's really happening?"

Week 5: Further investigation reveals: Operator cut marketing budget (trying to save costs, but hurt bookings)

Week 6: Board proposes to HPOT holders: "Operator underperforming. Vote to replace?"

Week 7: HPOT holders vote (78% in favor of replacement)

Week 8: New operator hired

Digital Twin provided the early warning (without it, problem might go unnoticed for months).

What You CANNOT Do with Digital Twin

Important limits:

You Cannot Control Operations

You can see:

- Occupancy is 60% (low)
- ADR is \$140 (competitor charges \$160)

You CANNOT:

- Click button to raise ADR to \$160 (operator sets pricing)
- Click button to fire underperforming staff (operator manages HR)

Digital Twin is read-only for participants.

You Cannot Access Guest Data

Privacy protection:

- Guest names, emails, payment info → **Not visible** (GDPR compliance)
- Individual booking details → **Not visible**

What you CAN see:

- Aggregated data ("127 bookings this week, average stay 2.3 nights")
 - Anonymized reviews ("Guest from Germany, 4-star review")
-

You Cannot Trigger Actions Directly

Digital Twin alerts operator, fiduciary, board → They decide actions.

You don't have emergency override button (e.g., "Shut down hotel immediately").

Governance votes required for major actions (operator replacement, disposition, etc.).

Integration with On-Chain Data

What's Mirrored On-Chain

Selected metrics pushed to blockchain (via oracles):

- **Weekly occupancy average** (7-day rolling avg)
- **Monthly revenue total** (gross revenue)
- **Monthly NOI** (net operating income)
- **Quarterly NAV** (net asset value per HPOT)

Why on-chain:

- **Public verifiability:** Anyone can check (not just HPOT holders)
 - **Immutable audit trail:** Historical data can't be altered
 - **Smart contract inputs:** Distribution calculations, governance votes use this data
-

Off-Chain Stays Off-Chain

Detailed data (PMS exports, expense invoices, guest info) stays in private database.

Why:

- **Privacy:** GDPR compliance (can't put personal data on public blockchain)
- **Volume:** Too much data (blockchain storage expensive)
- **Flexibility:** Easier to update, delete if needed

Digital Twin bridges off-chain reality → on-chain transparency (aggregated, anonymized).

Future Enhancements (Roadmap)

1. Predictive Maintenance

AI model predicts equipment failure:

- "HVAC system likely to fail in next 60 days (80% confidence)"
- **Action:** Schedule preventive maintenance (avoid emergency breakdown)

Benefit: Lower repair costs, less downtime

2. Dynamic Pricing Recommendations

AI suggests optimal ADR based on:

- Current booking pace
- Competitor pricing
- Event calendar
- Weather forecast

Example:

- "Lower Tue-Thu rates by 8% → increase occupancy 12% → net RevPAR +4%"

Operator decides (AI advises, operator executes).

3. Guest Sentiment Tracking

NLP (Natural Language Processing) on reviews:

- Detect emerging issues ("WiFi complaints up 200% this month")
- Identify strengths ("Staff friendliness mentioned 3x more than comp set")

Proactive alerts:

- "Breakfast quality complaints trending up → address before review score drops"
-

4. Competitive Intelligence

Scrape comp set data:

- Pricing trends (are competitors raising/lowering rates?)
- Occupancy estimates (based on availability calendars)
- Review scores (benchmarking)

Dashboard shows:

- "Competitor A dropped rates 12% → consider matching or differentiating"
-

Summary: Eyes On, Hands Off

Digital Twin Governance is:

- **Radical transparency** (you see everything operator sees)
- **Automated oversight** (alerts flag issues without manual checking)
- **Accountability mechanism** (operator can't hide poor performance)
- **Early warning system** (problems detected before crises)

Digital Twin Governance is NOT:

- **Direct control** (you can't click buttons to run the hotel)
- **Micro-management** (operator still has operational autonomy)
- **Voting on daily decisions** (governance votes only for major strategic choices)

You're a passive observer with active oversight rights.

Visibility creates accountability. Accountability drives performance.

Next: Risk scenarios — what can go wrong and what happens when it does.

16. RISK SCENARIOS: WHAT CAN GO WRONG AND WHAT HAPPENS

Introduction: We Need to Talk About Risk

This section is required reading.

Too many whitepapers bury risks in fine print. We're putting them front and center.

You can lose 100% of your investment. Hotels fail. Markets crash. Regulations change. Technology breaks.

This section walks through specific scenarios — not abstract warnings, but concrete examples of what could go wrong and what would happen to your HPOT holdings.

Scenario 1: Hotel Underperformance (Slow Decline)

What Happens

Timeline: Years 1-3

Year 1: Hotel performs as expected

- Occupancy: 75%
- NOI: \$2.7M
- Distributions: \$2.05M annually (\$0.205 per HPOT)
- Your yield (50,000 HPOT on \$50K investment): **20.5%**

Year 2: Performance softens

- Occupancy: 68% (new competitor opened nearby)
- NOI: \$2.2M (-18%)
- Distributions: \$1.65M annually (\$0.165 per HPOT)
- Your yield: **16.5%** (still positive, but declining)

Year 3: Continued decline

- Occupancy: 62% (market oversupply, reviews declining)
- NOI: \$1.8M (-33% vs. Year 1)
- Distributions: \$1.25M annually (\$0.125 per HPOT)
- Your yield: **12.5%** (cut nearly in half)

Year 4: Crisis point

- Occupancy: 55% (death spiral — poor reviews → fewer bookings → less revenue → deferred maintenance → worse reviews)
- NOI: \$1.2M (-56% vs. Year 1)
- Distributions: \$0.8M annually (\$0.08 per HPOT)
- Your yield: **8%** (barely acceptable)

Reserves depleted (used to cover shortfalls, CapEx deferred)

What You Lose

Cumulative distributions over 4 years:

Year 1: $50,000 \times \$0.205 = \$10,250$ Year 2: $50,000 \times \$0.165 = \$8,250$ Year 3: $50,000 \times \$0.125 = \$6,250$ Year 4: $50,000 \times \$0.08 = \$4,000$ Total: \$28,750 (57.5% of initial \$50K investment)

Property value:

- Purchased: \$10M
- Current (distressed): \$7M (30% decline due to deferred maintenance, poor reputation)

If sold at Year 4:

- Sale price: \$7M
- Transaction costs (5%): \$350K
- Net proceeds: \$6.65M
- Your share (0.5%): \$33,250

Total recovery:

Distributions: \$28,750 Disposition: \$33,250 Total: \$62,000 on \$50,000 investment

Return: +24% over 4 years (5.5% annualized)

Not terrible, but far below initial expectations (you hoped for 15-20% annually).

Why It Happened

Causes:

- **Market oversupply:** New hotels opened (increased competition)
 - **Operator complacency:** Didn't adapt to competition (pricing, marketing, service)
 - **Deferred maintenance:** Cut costs to preserve NOI (short-term thinking)
 - **Review spiral:** Service degraded → bad reviews → fewer bookings → worse service
-

What Could Have Been Done

Early intervention (Year 2):

- Digital Twin flagged occupancy decline
- SPV board investigated (found operator wasn't responding to competition)
- **HPOT holder vote:** Replace operator? (requires 75% supermajority)
- **If voted yes:** New operator hired, strategy reset (potential recovery)

But: HPOT holders hesitated (hoped it was temporary), vote didn't reach threshold.

By Year 4: Too late (damage done, property value declined).

Lesson: Governance rights are only useful if exercised.

Scenario 2: Natural Disaster (Sudden Shock)

What Happens

Event: Hurricane damages hotel (40% of structure)

Immediate aftermath:

- Hotel closed (unsafe for guests)
- Insurance claim filed (\$5M coverage)

Timeline:

Month 1: Assessment

- Damage estimate: \$6M (exceeds insurance coverage by \$1M)
- Insurance payout: \$5M (covered)
- Gap: \$1M (must come from reserves or emergency capital raise)

Months 2-9: Rebuilding

- Contractor hired (\$5M insurance + \$1M from reserves)
- Hotel remains closed (zero revenue)
- Operating expenses continue (skeleton crew, property tax, insurance)
- **NOI: -\$500K** (negative, burning cash)

Month 10: Reopening

- Hotel back online (renovations actually improved it — "silver lining")
- Occupancy slow to recover (50% first month back, reputation damage)

Year 2 post-disaster: Recovery

- Occupancy: 70% (approaching pre-disaster levels)
 - NOI: \$2.3M (below pre-disaster \$2.7M, but recovering)
-

What You Lose

Distributions during closure:

9 months closed: \$0 First 3 months post-reopening: \$0 (reserves rebuilding)
Year 2: Reduced distributions (\$0.10 per HPOT vs. \$0.20 baseline)

Cumulative impact:

Year 1 lost distributions: \$10,250 Year 2 reduced distributions: \$5,000
(instead of \$10,250) Total opportunity cost: \$15,500

Property value:

- Actually **improved** (post-renovation, newer fixtures, updated rooms)

- Appraised value: \$11M (up from \$10M pre-disaster)

Long-term NAV: Increased (you eventually benefit).

But: 2 years of lost income (painful in the short term).

Why This Is Better Than Traditional Ownership

Traditional mortgaged hotel:

- Bank debt: \$7M at 6.5% = \$455K annual interest
- During 9-month closure: **Interest keeps accruing** (\$341K owed)
- Insurance payout: Goes to lender first (bank has first lien)
- **Owner might lose everything** (foreclosure if can't cover debt service)

Homeunity structure:

- No bank debt = no interest during closure
- Insurance payout: Goes to rebuilding (no lender priority)
- Reserves cushion operating shortfall
- **Participants suffer lost distributions, but hotel recovers** (you keep your HPOT, NAV eventually rises)

Bankruptcy remoteness protected you (hotel failed temporarily, but SPV survived).

Scenario 3: Pandemic / Force Majeure (Extended Closure)

What Happens

Event: Global pandemic (hotels closed by government mandate for 6 months)

Phase 1: Shutdown (Months 1-6)

- Revenue: \$0 (hotel closed)
- Operating expenses: -\$900K (skeleton staff, property maintenance, insurance, taxes)
- **NOI: -\$900K** (burning \$150K/month)

Reserve fund:

- Starting balance: \$1.5M
- Drawdown: \$900K
- **Ending balance: \$600K** (depleted 60%)

Phase 2: Partial Reopening (Months 7-12)

- Occupancy: 30% (travel restrictions, fear, reduced demand)
- Revenue: \$1.2M (40% of baseline)
- Operating expenses: \$1M (can't cut fixed costs fully)
- **NOI: \$200K** (barely positive)

Distributions: Suspended (all NOI goes to rebuilding reserves)

Phase 3: Recovery (Year 2)

- Occupancy: 60% (slowly recovering, tourism returns)
- NOI: \$2M (74% of baseline)
- Distributions resume: \$1.4M annually (\$0.14 per HPOT)
- **Your yield: 14%** (better than zero, but below 20% baseline)

What You Lose

18 months of zero distributions:

Months 1-12: \$0 Months 13-18: \$0 (reserves still rebuilding) Year 2: \$7,000 (vs. \$10,250 baseline) Total lost: ~\$18,000 over 2 years

Property value:

- Market crash (30% decline across hospitality sector)
- Appraised value: \$7M (down from \$10M)
- **ACR: \$7M + \$600K reserves = \$7.6M / \$10M = 0.76** (distressed)

If forced to sell during pandemic:

- Proceeds: \$6.65M (after 5% transaction costs)
- Your share: \$33,250
- **Loss: -33.5%** on \$50K investment

But if you hold:

- Year 3 recovery: Occupancy 75%, NOI \$2.5M
 - Year 4 full recovery: Occupancy 80%, NOI \$2.8M
 - Property value rebounds: \$11M (appreciation post-recovery)
 - **Eventually back to baseline** (but took 4 years)
-

Mitigation: Force Majeure Insurance

Some hotels carry business interruption insurance:

- Covers lost revenue during forced closure (partial)
- **Pays out:** \$500K (example — covers 6 months at reduced rate)

Reduces loss:

- Instead of -\$900K NOI during shutdown → -\$400K
- Reserves drawn down less (\$400K vs. \$900K)
- **Faster recovery** (reserves not fully depleted)

Not all disasters covered:

- Pandemics often excluded (learned from COVID-19)
 - "Acts of God" may be excluded
 - **Check policy details** in asset factsheet
-

Scenario 4: Regulatory Shutdown (Compliance Failure)

What Happens

Event: Health inspector finds violations (mold, pest infestation, fire code issues)

Immediate action:

- Hotel **ordered closed** (until violations corrected)
- Fines: \$50K

- Remediation cost: \$300K (mold removal, pest control, fire system upgrades)

Timeline:

Month 1: Closure + assessment

- Revenue: \$0
- Operating expenses continue: \$150K
- **NOI: -\$150K**

Months 2-3: Remediation

- Contractor work: \$300K (funded from reserves)
- Hotel still closed
- **NOI: -\$300K** (total over 2 months)

Month 4: Reopening (after inspection clearance)

- Occupancy: 50% (reputation damage — "dirty hotel" headlines)
- Slow recovery

Year 1 impact:

- 3 months closed + 3 months slow recovery
 - **Annual NOI: \$1.5M** (vs. \$2.7M baseline, -44%)
-

What You Lose

Distributions:

Q1: \$0 (closure) Q2-Q4: Reduced (\$1.1M vs. \$2.05M baseline) Total: \$5,500 (vs. \$10,250 expected) — 53% reduction

Reputation damage:

- Review score: 4.6 → 3.8 (negative press, "avoid this hotel")
 - Takes 12-18 months to recover (aggressive PR, service improvements)
-

Why It Happened

Operator negligence:

- Deferred maintenance (water leak → mold)
- Poor pest control (cost-cutting)
- Fire system outdated (CapEx skipped)

Governance failure:

- Digital Twin flagged: "Maintenance expense down 40% vs. budget" (red flag)
 - HPOT holders didn't act (assumed operator knew what they were doing)
 - **By the time shutdown happened, too late**
-

What Should Have Happened

Early warning (6 months before shutdown):

- Digital Twin: "Maintenance underspending → investigate"
- SPV board: Audit hotel condition
- Finding: Deferred maintenance accumulating
- **Action:** Mandate \$500K catch-up CapEx (funded from reserves)
- **Result:** Violations prevented, no shutdown

Lesson: Monitoring only works if alerts are acted upon.

Scenario 5: Operator Fraud (Theft/Mismanagement)

What Happens

Event: Operator embezzles funds (\$500K over 2 years)

How:

- Fake vendor invoices (operator-controlled shell companies)
- Inflated expense reporting

- Skimming cash revenue (F&B sales not fully reported)

Detection:

Year 1: No detection (operator covers tracks, financials look normal)

Year 2, Month 18: Anomaly detected

- Digital Twin flags: "F&B revenue 30% below comp set (should be higher given occupancy)"
- Fiduciary administrator audits: Discovers discrepancies (vendor invoices don't match bank statements)

Investigation:

- Forensic accounting: \$500K misappropriated
 - Operator fired immediately
 - **Criminal charges filed** (fraud)
-

What You Lose

Direct loss:

- \$500K stolen = \$50 per HPOT (on 10M series)
- Your loss (50,000 HPOT): **\$2,500**

Plus: 2 years of under-reported NOI (distributions lower than should have been)

Recovery:

- **Operator liable** (personal assets seized, insurance claim filed)
- **D&O insurance:** Covers \$300K (partial recovery)
- **Operator assets:** \$100K recovered (liquidation)
- **Total recovery:** \$400K (80%)

Net loss to HPOT holders:

- \$500K stolen - \$400K recovered = \$100K
 - **Your share of loss:** \$500 (1% of your \$50K investment)
-

How This Was Prevented (Partially)

Multi-signature controls:

- Large expenses (>\$50K) require SPV board approval (operator can't unilaterally pay fake invoices)
- Bank accounts: Dual-signature requirement (operator + fiduciary)

Monthly audits:

- Fiduciary reviews financials (catches discrepancies)

Digital Twin:

- Anomaly detection (flags unusual patterns)

But:

- Operator was sophisticated (spread theft across many small transactions, below thresholds)
- Took 18 months to detect (not instant)

Lesson: Fraud is always a risk. Mitigation reduces but doesn't eliminate.

Scenario 6: Technology Failure (Smart Contract Exploit)

What Happens

Event: Hacker finds bug in Distribution Manager contract

Exploit:

- Hacker drains \$1.2M from distribution pool (before distributions claimed by legitimate holders)
- Funds sent to hacker's wallet, immediately moved through mixers (untraceable)

Timeline:

T+0 (exploit): Hacker executes attack (Saturday 2 AM)

T+4 hours: Detected by monitoring system (unusual withdrawal pattern)

T+6 hours: Circuit breaker activated (all contracts paused)

T+12 hours: Homeunity team assesses damage

- \$1.2M stolen (80% of quarterly distribution pool)
- Hacker wallet identified (but funds already moved)

T+24 hours: Emergency response

- **Distributions suspended** (remaining funds frozen)
- Smart contract audit (identify vulnerability)
- **Bug fix deployed** (patch vulnerability)

T+7 days: Resolution plan

- **Insurance claim:** Cyber insurance covers \$800K (partial recovery)
- **Homeunity contribution:** \$200K (from treasury/reserves — goodwill gesture)
- **Total recovery:** \$1M (83% of stolen funds)

T+30 days: Distributions resume

- Recovered funds redistributed to HPOT holders (pro-rata)
 - Your distribution: 83% of expected (vs. 100%)
-

What You Lose

Short-term:

- Quarterly distribution reduced 17% (vs. expected)
- Your loss: ~\$500 (on \$3,000 expected distribution)

Long-term:

- Future distributions unaffected (bug fixed, security hardened)
-

How Risk Was Mitigated

Before exploit:

- Smart contracts audited (CertiK, Quantstamp — but audits aren't perfect)

- Multi-signature controls (large withdrawals require approval — hacker bypassed through bug)
- Monitoring systems (detected exploit within 4 hours — fast response)

After exploit:

- **Bug bounty program** launched (\$500K pool — incentivize white-hat hackers to find bugs before black-hats)
- **Circuit breaker refined** (auto-pause if unusual activity detected)
- **Insurance increased** (cyber coverage raised to \$5M)

Lesson: Technology risk is real. Defense-in-depth (multiple layers) reduces but doesn't eliminate.

Scenario 7: Regulatory Ban (Government Shuts Down Structure)

What Happens

Event: Swiss regulator (FINMA) determines HPOT is a collective investment scheme (CIS), requires licensing

Timeline:

Month 1: FINMA issues order

- "HPOT series must obtain CIS license within 180 days or cease operations"

Month 2: Assessment

- Cost to obtain license: \$500K + ongoing compliance costs (\$200K/year)
- **Options:**
- Apply for license (expensive, time-consuming)
- Restructure to avoid CIS classification (legal gymnastics)
- Wind down (sell hotels, distribute proceeds)

Month 3: HPOT holder vote

- Proposal: "Spend \$500K to obtain license vs. wind down"
- Vote result: 68% in favor of licensing (didn't reach 75% supermajority needed for major decision)
- **Stalemate**

Month 4-6: Negotiation with FINMA

- Legal counsel argues structure is outside CIS scope (one asset per series, not pooled fund)
- **FINMA softens:** "Obtain legal opinion confirming compliance, no license needed"
- **Cost:** \$150K (legal opinion from top Swiss law firm)

Month 7: Resolution

- Legal opinion obtained
 - FINMA accepts (no license required)
 - **Operations continue** (crisis averted)
-

What You Lost

Direct costs:

- \$150K legal fees (funded from platform reserves, not HPOT series directly)

Opportunity cost:

- 6 months of uncertainty (secondary market frozen, no one buying HPOT during regulatory limbo)
- **Your liquidity:** Blocked (couldn't sell even if you wanted to)

Long-term:

- Risk remains (regulators could change mind in future)
 - **Structural uncertainty** (affects HPOT valuation on secondary market)
-

Worst Case: If Wind-Down Had Been Forced

Scenario: FINMA says "no legal opinion acceptable, must shut down"

Process:

- Sell all hotels (fire sale, distressed pricing)
- Pay off liabilities (legal fees, wind-down costs)
- Distribute net proceeds to HPOT holders (pro-rata)

Example (10M series, hotel worth \$10M):

- Sale price (distressed): \$8.5M (15% discount)
- Wind-down costs: \$500K (legal, liquidation)
- Net proceeds: \$8M
- **Your share (0.5%):** \$40,000 (on \$50K investment)
- **Loss: -20%**

Plus: You miss all future distributions (hotel no longer operating).

This is why regulatory risk is existential.

Scenario 8: Market Crash (Hospitality Sector Collapse)

What Happens

Event: Global recession (tourism demand crashes 40%)

Year 1:

- Occupancy: 75% → 45% (collapse)
- ADR: \$150 → \$100 (price war, desperate to fill rooms)
- RevPAR: \$112 → \$45 (-60%)
- **NOI: \$2.7M → \$800K (-70%)**

Distribution:

- Reserves already at target (\$1.5M), so 20% allocation continues
- **Distributable:** \$800K - \$160K (reserves) - \$110K (fees) = \$530K
- **Per HPOT:** \$0.053 (vs. \$0.205 baseline, -74%)
- **Your annual distribution:** \$2,650 (vs. \$10,250 baseline)

Property value:

- Crashes 40% (hospitality sector selloff)
- **NAV:** \$6M / 10M HPOT = **\$0.60 per HPOT** (vs. \$1.00 purchase price)

If you panic-sell on secondary market:

- Market price: \$0.50 per HPOT (distressed, no buyers)
- Your proceeds (50,000 HPOT): **\$25,000**

- **Loss: -50%**
-

What If You Hold Through Downturn?

Year 2: Recession continues (but bottoming)

- Occupancy: 50% (slight improvement)
- NOI: \$1.2M
- Distributions: \$0.08 per HPOT

Year 3: Recovery begins

- Occupancy: 65%
- NOI: \$2M
- Distributions: \$0.15 per HPOT

Year 4: Full recovery

- Occupancy: 75% (back to baseline)
- NOI: \$2.7M
- Distributions: \$0.20 per HPOT

Property value:

- Rebounds to \$10M (market recovery)

Cumulative distributions (4 years):

Year 1: \$2,650 Year 2: \$4,000 Year 3: \$7,500 Year 4: \$10,000 Total: \$24,150

If you sell at Year 4 (full recovery):

- NAV: \$1.00 per HPOT (back to purchase price)
- Your proceeds: \$50,000
- **Total return:** \$24,150 + \$50,000 = \$74,150 on \$50K investment
- **Gain: +48% over 4 years** (10.2% annualized)

Not spectacular, but you survived.

Lesson: Time Horizon Matters

Short-term holder (panic-sold in Year 1): -50% loss

Long-term holder (held through cycle): +48% gain

Hospitality is cyclical. If you need liquidity in down years, you'll lose. If you can wait, you recover.

Summary: Risk is Real, Mitigation is Imperfect

Every scenario above can happen. Some are likely (underperformance, market cycles). Some are rare (fraud, exploit). Some are catastrophic (regulatory ban, force majeure).

Our structure mitigates:

- **Bankruptcy remoteness** (SPV isolation prevents contagion)
- **No bank debt** (eliminates foreclosure risk, interest drag)
- **Reserves** (cushion downturns, fund emergencies)
- **Digital Twin monitoring** (early warning system)
- **Governance rights** (HPOT holders can vote to replace operator, force sale)
- **Insurance** (cyber, property, business interruption)
- **Diversification** (hold multiple series, spread risk)

But mitigation ≠ elimination:

- **You can still lose 100%** (hotel burns down, insurance insufficient, no recovery)
- **Distributions can go to zero** (pandemic, closure, recession)
- **Liquidity can disappear** (secondary market freezes, no buyers)
- **Technology can fail** (smart contract bugs, oracle failures)
- **Regulations can change** (structure banned, forced liquidation)

This is why we repeat:

Q **You can lose everything you invest. Do not invest more than you can afford to

Next: Registry mechanics — snapshots, record dates, and transfers.

17. REGISTRY MECHANICS: SNAPSHOTS, RECORD DATES, AND TRANSFERS

The Swiss Registry: Source of Truth

Remember: The **Swiss registry** (maintained by Fuchs Treuhand AG) is the **legal source of truth** for HPOT holdings.

Blockchain is a mirror:

- Convenient for queries, transfers, transparency
- **But in disputes:** Registry wins

Why this matters:

- **Legal enforceability:** Swiss courts recognize Registerwertrechte (registry-recorded rights)
 - **Creditor protection:** Registry determines who gets paid in liquidation scenarios
 - **Distribution authorization:** Fiduciary uses registry snapshots (not blockchain) to calculate payments
-

How the Registry Works

Registry Structure

Database fields (per HPOT series):

Field	Example	Purpose
Series ID	HPOT-A	Which hotel
Holder ID	0x7d8f9a2b... (wallet address)	Who holds
HPOT Balance	50,000	How much
Acquisition Date	2027-02-15	When acquired
Lock-up Expiry	2027-05-15 (90 days later)	When transferable
Last Transfer Date	2027-08-10	Most recent change

Registry is timestamped and tamper-proof:

- Every entry signed cryptographically (by fiduciary)
 - Historical snapshots preserved (immutable audit trail)
 - Changes require fiduciary authorization (not editable by participants or operator)
-

Registry Updates

When registry is updated:

- **Initial issuance** (via HAFS)
- New participant onboarded
- Payment confirmed
- **Registry entry created:** Wallet 0xABC... now holds 20,000 HPOT-A
- **Transfer** (peer-to-peer or secondary market)
- HPOT transferred on blockchain (Wallet A → Wallet B)
- **Registry notified** (automated alert to fiduciary)
- **Registry updated** (typically within 24 hours)
- **Distribution claim** (quarterly)
- Participant claims distribution via smart contract

- **Registry consulted** (who held HPOT on record date?)
 - Payment authorized based on registry snapshot
 - **Lock-up expiry**
 - 90 days after issuance
 - **Registry updates:** "Transferable = true"
-

Record Dates: The Snapshot Mechanism

What Is a Record Date?

Record date = the **snapshot date** when registry is checked to determine who holds what.

Similar to stock "ex-dividend date":

- If you hold HPOT **on record date** → you get the distribution
 - If you sell **before record date** → buyer gets the distribution
-

How Record Dates Work

Quarterly distribution cycle:

Step 1: Record Date Announced (T-30 days)

- Fiduciary announces: "Q1 distribution record date: March 31, 2027"
- HPOT holders notified (email, dashboard)

Step 2: Record Date (T+0)

- **March 31, 2027, 11:59 PM UTC** → Registry snapshot taken
- **Frozen snapshot:** Who held how much HPOT at that exact moment

Step 3: Distribution Calculation (T+1 to T+7)

- Fiduciary calculates distributable amount (NOI - reserves - fees)
- **Per-HPOT amount:** $\$562,100 / 10,000,000 \text{ HPOT} = \0.05621 per HPOT

Step 4: Payment Date Announced (T+10)

- "Payment date: May 10, 2027"
- Participants can claim anytime after this date

Step 5: Distribution Payment (T+40)

- **May 10, 2027:** Distributions available for claim
 - HPOT holders call `claimDistribution()` on smart contract
 - Payment sent (USDC or USD wire)
-

Example: Transfer Around Record Date

Scenario:

- **You hold:** 50,000 HPOT-A
- **Record date:** March 31, 2027
- **You sell 10,000 HPOT** on March 25, 2027 (before record date)

Who gets the distribution on those 10,000 HPOT?

Answer: Buyer (because they held on record date)

Distribution breakdown:

- **You:** 40,000 HPOT × \$0.05621 = \$2,248.40
- **Buyer:** 10,000 HPOT × \$0.05621 = \$562.10

If you sold AFTER record date (e.g., April 5):

- **You** still get distribution on full 50,000 HPOT (you held on March 31)
 - **Buyer** gets nothing for Q1 (will receive Q2 distribution if they hold through June 30 record date)
-

"Buying the Distribution" Risk

Problem: Someone buys HPOT right before record date, claims distribution, then immediately sells.

Example:

- **March 30 (1 day before record date):** Speculator buys 100,000 HPOT at \$0.95 each = \$95,000
- **March 31 (record date):** Snapshot taken → speculator holds 100,000 HPOT
- **May 10 (payment date):** Speculator claims \$5,621 distribution
- **May 11:** Speculator sells 100,000 HPOT at \$0.94 each = \$94,000
- **Profit:** \$5,621 (distribution) - \$1,000 (price drop) = **\$4,621**

This is called "distribution arbitrage" or "dividend capture."

Mitigation: Lock-Up on Secondary Purchases

Some series implement:

- **Minimum holding period:** Must hold 30 days before/after record date to claim distribution
- **Smart contract enforcement:** If you bought <30 days before record date, `claimDistribution()` reverts

Trade-off:

- Prevents short-term arbitrage
- Reduces liquidity (can't trade freely around record dates)

Not all series use this (check asset factsheet).

Transfer Mechanics

On-Chain Transfer (Blockchain)

Standard BEP-20 transfer:

```
function transfer(address to, uint256 amount)
```

What happens:

- You call `transfer()` on HPOT-A contract
- Your balance decreases: 50,000 → 40,000 HPOT
- Recipient's balance increases: 0 → 10,000 HPOT
- **Event emitted:** `Transfer(from, to, amount)`
- **Transaction confirmed** on BSC blockchain (~3 seconds)

Instant and permissionless (no one can block the transfer).

Registry Notification (Off-Chain Sync)

After on-chain transfer:

Step 1: Automated detection

- Oracle monitors HPOT contract for `Transfer` events
- Detects: "Wallet `0x7d8f...` sent 10,000 HPOT-A to `0x92a3...`"

Step 2: Notification to fiduciary

- Oracle sends update to Fuchs Treuhand AG
- **Payload:** `{from: 0x7d8f..., to: 0x92a3..., amount: 10000, tx_hash: 0xabc123...}`

Step 3: Fiduciary validation

- Verify transaction on BSC (check `tx_hash` on block explorer)
- Confirm: Not a smart contract exploit, legitimate transfer

Step 4: Registry update

- **Old entry:**
- `0x7d8f...` → 50,000 HPOT-A
- **New entries:**
- `0x7d8f...` → 40,000 HPOT-A
- `0x92a3...` → 10,000 HPOT-A

Timeline: Typically **24 hours** from on-chain transfer to registry update.

What If Blockchain and Registry Disagree?

Scenario: Hacker exploits smart contract bug, steals 10,000 HPOT on-chain (but can't update registry).

On-chain state:

- Hacker: 10,000 HPOT-A
- Victim: 40,000 HPOT-A (reduced from 50,000)

Registry state:

- Victim: Still shows 50,000 HPOT-A (registry not updated because transfer was unauthorized)

Distribution time:

- **Fiduciary uses registry** (not blockchain) to determine payments
- **Victim receives:** Distribution for 50,000 HPOT (based on registry)
- **Hacker receives:** \$0 (not in registry)

Dispute resolution:

- Victim reports theft
- Fiduciary investigates (confirms exploit)
- **Registry preserved** (hacker doesn't benefit)
- **On-chain state corrected** (smart contract upgraded, stolen tokens burned or returned)

This is why registry is source of truth.

Secondary Market Transfers

Peer-to-Peer (Direct)

How it works:

- You and buyer agree on price (e.g., \$0.95 per HPOT)
- Buyer sends payment (wire transfer, crypto)
- **You transfer HPOT** on-chain (using wallet)
- Registry updates automatically

No intermediary needed (decentralized).

Risk: Counterparty risk (buyer doesn't pay, or you don't transfer).

Solution: Use escrow (smart contract holds HPOT until payment confirmed).

Via Secondary Marketplace (Coming Q4 2026)

Homeunity internal marketplace:

Features:

- **Order book:** Bids and asks (like stock exchange)
- **Automatic matching:** Best bid meets best ask → trade executes
- **Escrow:** Smart contract holds HPOT until payment settles
- **Registry sync:** Automatic notification to fiduciary

Example:

- You list: "Sell 10,000 HPOT-A at \$0.97 each"
- Buyer places: "Buy 10,000 HPOT-A at \$0.96 each"
- **No match** (price gap)
- Another buyer: "Buy at \$0.97"
- **Match!** Trade executes
- Buyer pays: \$9,700 (USDC via smart contract)
- You receive: \$9,700 (minus 0.5% platform fee = \$9,651.50)
- HPOT transferred automatically

Benefits over peer-to-peer:

- Liquidity (many buyers/sellers)
- Price discovery (transparent order book)
- Trust (escrow eliminates counterparty risk)

- Convenience (one-click trading)
-

External DEX Trading (PancakeSwap, etc.)

HPOT can also trade on decentralized exchanges (if liquidity pools exist).

How it works:

- **Liquidity provider** creates pool (e.g., HPOT-A / USDC)
- Deposits: 100,000 HPOT-A + \$95,000 USDC
- **You trade:** Swap USDC → HPOT-A (or vice versa)
- Price determined by **AMM formula** (constant product: $x \times y = k$)

Pros:

- 24/7 trading (no marketplace downtime)
- Permissionless (anyone can trade)

Cons:

- Slippage (large trades move price significantly)
- Impermanent loss (for liquidity providers)
- Complexity (need to understand DEX mechanics)

Registry still updates (DEX trades trigger `Transfer` events → fiduciary notified).

Lock-Up Period Enforcement

How Lock-Ups Work

Series with 90-day lock-up:

Smart contract logic:

```
mapping(address => uint256) public lockupExpiry; function transfer(address to,
uint256 amount) public { require(block.timestamp >=
lockupExpiry[msg.sender], "Tokens locked"); // ... rest of transfer logic }
```

When you receive HPOT (via HAFS):

- **Acquisition date:** Feb 15, 2027
- **Lock-up expiry:** May 15, 2027 (90 days later)
- `lockupExpiry[yourAddress] = May 15, 2027 (Unix timestamp)`

If you try to transfer before May 15:

- Smart contract: `require(block.timestamp >= lockupExpiry) → FAILS`
- Transaction reverts (transfer blocked)

After May 15:

- `block.timestamp >= lockupExpiry → TRUE`
 - Transfer succeeds
-

Exceptions to Lock-Up

Lock-up does NOT apply to:

- **Claiming distributions** (you still receive quarterly payments during lock-up)
- **Voting** (governance rights active immediately)
- **Viewing dashboard** (information access unrestricted)

Lock-up ONLY blocks:

- **Transfers** (can't send HPOT to another wallet)
 - **Sales** (can't sell on secondary market or DEX)
-

Registry Fees

Transfer Recording Fee

Fuchs Treuhand AG may charge:

- **Fee:** \$10-25 per registry update (transfer notification)
- **Who pays:** Typically the seller (deducted from proceeds)

Example:

- You sell 10,000 HPOT-A at \$0.95 = \$9,500
- Platform fee (0.5%): \$47.50
- Registry fee: \$15
- **Net proceeds:** \$9,437.50

Fee structure varies by series (check asset factsheet).

Lost or Stolen Wallets

What Happens If You Lose Access

Scenario: You lose your wallet private key (hardware wallet broken, seed phrase lost).

On-chain:

- HPOT still exists at your wallet address
- **But you can't access** (no private key = can't sign transactions)

Registry:

- Still shows you as holder
- **Distributions continue** (sent to your wallet address)
- **But you can't claim them** (need private key to call `claimDistribution()`)

Recovery options:

Option 1: Wallet Recovery (If Possible)

- Use backup seed phrase (if you have it)
- Hardware wallet recovery (if device can be restored)

Option 2: Registry-Based Recovery (Emergency Process)

- **Prove identity** to fiduciary (KYC docs, legal affidavit)
- **Court order** (in some jurisdictions, required for registry changes)
- **Fiduciary creates new registry entry** at different wallet address
- **Old wallet HPOT burned** (smart contract admin function)
- **New wallet HPOT minted** (same amount)

Timeline: 90-180 days (legal process is slow)

Cost: \$5,000-15,000 (legal fees, fiduciary administrative costs)

This is why: **Back up your seed phrase.** Store in multiple secure locations.

Stolen Wallet (Hacker Access)

Scenario: Hacker steals your private key, transfers HPOT to their wallet.

On-chain:

- Transfer appears legitimate (signed with your valid private key)
- **Hacker now holds HPOT**

Registry:

- Automatically updates (transfer detected, registry synced)
- **Hacker becomes registered holder**

Can you recover?

Unlikely. Blockchain transactions are **irreversible**.

Only hope:

- **Immediate detection** (within minutes of theft)
- **Contact fiduciary** (request emergency freeze)
- **If fiduciary acts fast:** Registry update blocked (before auto-sync)
- **Smart contract pause** (if admin can pause transfers in time)

Realistically: If hacker moves HPOT quickly (to DEX, mixer), recovery is near-impossible.

Protection:

- **Hardware wallet** (Ledger, Trezor — private keys never online)
 - **Multi-signature** (require 2-of-3 keys to transfer)
 - **Whitelisted addresses** (only allow transfers to pre-approved wallets)
-

Summary: Registry as Anchor

Swiss registry is the **legal foundation**:

- **Source of truth** for distributions (fiduciary pays based on registry, not blockchain)
- **Legal enforceability** (Swiss courts recognize Registerwertrechte)
- **Dispute resolution** (registry wins if blockchain disagrees)

Blockchain is the **operational layer**:

- **Convenient transfers** (instant, permissionless)
- **Transparency** (all transactions publicly visible)
- **Automation** (smart contracts calculate distributions)

Record dates create **snapshot fairness**:

- **Clear rules** (hold on record date → get distribution)
- **Prevents gaming** (lock-ups discourage short-term arbitrage)

Transfers are **flexible but tracked**:

- **On-chain freedom** (transfer anytime after lock-up)
- **Registry sync** (fiduciary updates within 24 hours)
- **Secondary markets** (peer-to-peer, marketplace, DEX)

Next: Exit options — secondary markets and disposition.

18. EXIT OPTIONS: SECONDARY MARKETS AND DISPOSITION

The Liquidity Challenge

Real estate is illiquid. Hotels even more so.

Traditional timeline to sell a hotel:

- List property: 1-3 months (broker engagement, marketing)
- Find buyer: 3-6 months (negotiations, due diligence)
- Close transaction: 2-3 months (financing, legal, regulatory approvals)
- **Total: 6-12 months minimum** (sometimes 18-24 months for difficult properties)

HPOT structure improves this (somewhat).

Three exit pathways:

- **Secondary market transfer** (sell HPOT to another participant)
- **Operator buyback** (conditional, not guaranteed)
- **Hotel disposition** (SPV sells hotel, distributes proceeds)

None are instant. None are guaranteed.

Exit Pathway 1: Secondary Market Transfer

Internal Marketplace (Homeunity Platform)

Launching: Q4 2026 (planned)

How it works:

Selling Process

Step 1: List Your HPOT

- Dashboard: "Sell HPOT"
- Enter: Series (e.g., HPOT-A), Amount (e.g., 10,000), Price (e.g., \$0.95 per token)
- **Total listing:** \$9,500

Step 2: Order Placed

- Your HPOT escrowed (smart contract holds tokens until sale completes)
- **Listing visible** in order book

Step 3: Buyer Matches

- Buyer places market order: "Buy 10,000 HPOT-A at best price"
- **Your listing matched** (you're lowest ask at \$0.95)

Step 4: Trade Executes

- Buyer pays \$9,500 (USDC or USD via payment processor)
- **Platform fee deducted:** 0.5% = \$47.50
- **Registry fee:** \$15
- **You receive:** \$9,437.50
- **Buyer receives:** 10,000 HPOT-A (sent to their wallet)
- **Registry updated** (fiduciary notified, entry updated)

Timeline: Instant (if buyer available), or days/weeks (if low liquidity).

Pricing Discovery

Order book transparency:

```
HPOT-A Order Book (Example)  ASKS (Sellers): $0.98 - 5,000 HPOT $0.97 - 15,000
HPOT $0.95 - 10,000 HPOT (your listing) $0.94 - 20,000 HPOT  BIDS (Buyers):
$0.93 - 8,000 HPOT $0.92 - 12,000 HPOT $0.90 - 25,000 HPOT  Last Trade: $0.94
24h Volume: 87,000 HPOT
```

Market dynamics:

- **Best ask (lowest sell price):** \$0.94
- **Best bid (highest buy price):** \$0.93
- **Spread:** \$0.01 (1%)

If you list at \$0.95:

- You're **not** the best ask (someone selling at \$0.94 ahead of you)

- **To sell immediately:** Lower price to \$0.93 (match best bid)
 - **Or wait:** Until \$0.94 and lower asks are cleared
-

Liquidity Risk

Problem: What if there are no buyers?

Example low-liquidity scenario:

```
ASKS: $0.95 - 50,000 HPOT (you) $0.96 - 30,000 HPOT  BIDS: $0.80 - 5,000 HPOT  
(only bid, far below ask)  Last Trade: $0.92 (3 weeks ago)  24h Volume: 0 HPOT
```

You're stuck:

- Can't sell at \$0.95 (no buyers)
- Only bid is \$0.80 (16% discount — brutal)
- **Options:**
- Wait (hope buyers appear)
- Lower price to \$0.85, \$0.82, eventually \$0.80 (take the loss)
- Hold and collect distributions (don't sell)

This is the illiquidity risk.

External DEX (PancakeSwap, Uniswap on BSC)

If liquidity pool exists:

Example:

- Pool: HPOT-A / USDC
- Liquidity: 200,000 HPOT + \$190,000 USDC
- **Price:** ~\$0.95 per HPOT (determined by pool ratio)

You swap:

- Send: 10,000 HPOT-A
- Receive: ~\$9,350 USDC (after 0.3% DEX fee + slippage)

Instant (no waiting for buyer match).

But:

- **Slippage:** Large trades move price unfavorably (selling 50,000 HPOT might get only \$0.88 avg price)
- **Liquidity depth:** Small pools = high slippage

DEX is backup option (if internal marketplace has no liquidity).

Pricing Factors: What Determines Secondary Market Price?

HPOT reference price: \$1.00 (nominal)

Secondary market price: May trade above or below.

Why trade ABOVE \$1.00:

- **Strong performance:**
 - Hotel NOI exceeding forecasts (high distributions)
 - Property value appreciated (NAV > \$1.00)
 - **Example:** NAV = \$1.15, market price = \$1.08 (8% discount to NAV, still above \$1.00)
 - **Supply scarcity:**
 - Series sold out (no new issuance)
 - Few sellers (most holders long-term)
 - High demand (everyone wants this hotel)
 - **Distribution yield:**
 - Annual yield 15%+ (attractive relative to alternatives)
 - Buyers willing to pay premium for income stream
-

Why trade BELOW \$1.00:

- **Weak performance:**

- Hotel underperforming (low occupancy, declining NOI)
 - Property value declined (NAV = \$0.85)
 - **Example:** Market price = \$0.78 (further discount due to uncertainty)
 - **Liquidity premium:**
 - Holders desperate to exit (will accept discount for immediate liquidity)
 - No buyers (illiquid market)
 - **Risk perception:**
 - Regulatory concerns (FINMA investigation rumored)
 - Technology issues (smart contract bug discovered)
 - Operator problems (mismanagement, fraud allegations)
 - **Macro conditions:**
 - Recession (hospitality sector selloff)
 - Interest rate spike (real estate valuations down)
-

Realistic Expectations

Mature, well-performing series:

- **Typical trading range:** \$0.95 - \$1.05 ($\pm 5\%$ around NAV)
- **Bid-ask spread:** 1-3%
- **Liquidity:** Can sell \$10K-50K within a week

New or underperforming series:

- **Trading range:** \$0.70 - \$1.00 (discount to NAV)
- **Bid-ask spread:** 5-10%
- **Liquidity:** Might take weeks/months to sell

Distressed series (crisis):

- **Trading range:** \$0.30 - \$0.60 (deep discount)
 - **Bid-ask spread:** 20%+
 - **Liquidity:** No buyers (fire sale pricing only)
-

Exit Pathway 2: Operator Buyback (Conditional)

How It Works

Operator (or SPV) may offer to buy back HPOT from participants.

Why operator would do this:

- **Reduce participant count** (simplify governance, reporting)
- **Consolidate ownership** (fewer HPOT holders = easier decision-making)
- **Strategic reasons** (operator wants control before major CapEx or disposition)

Terms:

- **Price:** Typically **10-20% discount to NAV**
- **Volume:** Limited (e.g., operator offers to buy \$500K worth, first-come-first-served)
- **Timing:** Sporadic (maybe once every 1-2 years, no schedule)

Example:

- NAV: \$1.12 per HPOT
 - Buyback offer: \$0.95 per HPOT (15% discount)
 - You hold: 50,000 HPOT
 - **If you accept:** Sell 50,000 × \$0.95 = \$47,500
-

Why Discount?

Operator is providing liquidity (instant exit, no need to find buyer).

Liquidity premium: 10-20% discount is your cost for immediate exit.

Alternative: Wait for secondary market (might get \$1.05, but might take months).

Your choice: Instant liquidity at discount vs. patient waiting for better price.

No Guarantee

Operator buyback is NOT:

- A right (operator has no obligation)
- Scheduled (no guaranteed timing)
- Full liquidity (operator might only buy small amounts)

It's an option (if/when operator chooses to offer).

Exit Pathway 3: Hotel Disposition (Ultimate Exit)

What Is Disposition?

Disposition = selling the entire hotel.

When it happens:

- **Planned:** 7-10 years after acquisition (typical holding period for real estate)
 - **Opportunistic:** Unsolicited offer comes in (buyer offers premium price)
 - **Distressed:** Hotel failing, best to cut losses and sell
-

Disposition Process

Step 1: Board Recommends Sale

- SPV board evaluates market
- Gets hotel appraised (independent valuation)
- Engages broker (hotel real estate specialist)
- **Identifies buyer** (or multiple competing offers)

Example:

- Hotel appraised: \$14M (appreciation from \$10M purchase 8 years ago)

- Offer received: \$14.2M (buyer willing to pay above appraisal)

Step 2: HPOT Holder Vote

- **Proposal:** "Sell hotel for \$14.2M. Approve disposition?"
- **Voting period:** 14 days
- **Threshold:** 75% supermajority required

Vote results:

- For: 8,200,000 HPOT (82%)
- Against: 1,100,000 HPOT (11%)
- Abstain: 700,000 HPOT (7%)
- **Result: APPROVED** (exceeded 75% threshold)

Step 3: Transaction Execution

- Purchase agreement signed
- Due diligence (buyer inspects property, financials)
- **Closing** (typically 60-90 days after agreement)

Step 4: Proceeds Distribution

Disposition waterfall:

Sale Price: \$14,200,000 Less: Transaction Costs - Broker commission (3%): \$426,000 - Legal fees: \$150,000 - Transfer taxes: \$284,000 - Other closing costs: \$90,000 Total costs: \$950,000 Less: Outstanding Liabilities - Accounts payable: \$50,000 - Accrued expenses: \$30,000 - Reserve obligations: \$0 (reserves already set aside) Total liabilities: \$80,000 Net Proceeds to HPOT Holders: \$13,170,000 Per HPOT (10M series): \$1.317

Your disposition proceeds (50,000 HPOT):

$50,000 \times \$1.317 = \$65,850$

Plus: All distributions received over 8 years (e.g., \$65,000 cumulative)

Total return:

Initial investment: \$50,000 Distributions: \$65,000 Disposition: \$65,850 Total: \$130,850 Gain: \$80,850 (162% over 8 years = 12.7% annualized)

Disposition Scenarios

Scenario A: Profitable Exit (Appreciation)

As above: Sold for \$14.2M (appreciation + 8 years of distributions).

Result: Strong returns (10-15% annualized).

Scenario B: Breakeven Exit (No Appreciation)

Sale price: \$10M (same as purchase price)

Transaction costs: \$950,000

Net proceeds: \$9,050,000

Per HPOT: \$0.905

Your proceeds:

$50,000 \times \$0.905 = \$45,250$ Plus distributions (8 years): \$65,000 Total: \$110,250
Gain: \$60,250 (120% over 8 years = 10.3% annualized)

Still profitable (thanks to distributions), but no asset appreciation.

Scenario C: Distressed Sale (Loss)

Sale price: \$7M (market crash, distressed sale)

Transaction costs: \$700,000 (lower % due to distress)

Net proceeds: \$6,300,000

Per HPOT: \$0.63

Your proceeds:

$50,000 \times \$0.63 = \$31,500$ Plus distributions (8 years): \$40,000 (lower due to

poor performance) Total: \$71,500 Loss: -\$21,500 (-28.5%)

You lost money (despite 8 years of holding and distributions).

Vote Against Disposition?

What if you vote "No" but majority votes "Yes"?

You're bound by majority decision:

- Sale proceeds anyway (you can't block it alone)
- **You receive your pro-rata share** (\$1.317 per HPOT in profitable scenario)

Why vote "No"?

- You think hotel value will appreciate further (want to hold longer)
- Current offer undervalues property
- Tax reasons (capital gains timing)

But: Minority can't stop disposition (75% supermajority controls).

What If No Buyer Found?

Scenario: Hotel listed for sale, no acceptable offers.

Options:

- **Lower asking price** (accept market reality)
- **Continue operating** (keep hotel, collect distributions)
- **Liquidation** (worst case — sell assets piecemeal, shut down)

If liquidation:

- Furniture, fixtures, equipment sold (scrap value)

- Land/building sold (potentially to developer for different use)
 - **Proceeds typically much lower** than operating hotel sale
-

Exit Timeline Expectations

Realistic Exit Horizons

Secondary market (if liquid):

- **Timeline:** 1 day - 4 weeks
- **Price:** 80-105% of NAV (depending on liquidity, market conditions)

Operator buyback (if offered):

- **Timeline:** Immediate (when offer made)
- **Price:** 80-90% of NAV (discount for liquidity)

Disposition (planned):

- **Timeline:** 7-10 years from acquisition
- **Price:** Depends on appreciation, market (could be 70-140% of purchase price)

Disposition (forced/distressed):

- **Timeline:** 1-3 years (if hotel failing)
 - **Price:** 50-80% of NAV (fire sale)
-

If You MUST Exit Early

Year 1-2 after purchase:

- **Secondary market:** Only option (low liquidity, likely 10-20% discount)
- **Operator buyback:** Unlikely (too early)
- **Disposition:** Not happening (hotel just acquired)

Expected exit price: \$0.80-0.90 per HPOT (on \$1.00 purchase)

Recommendation: Don't invest if you might need liquidity in <3 years.

Tax Implications of Exits

Consult your tax advisor. General principles:

Secondary Market Sale

Capital gain/loss:

- Purchase price: \$1.00 per HPOT
- Sale price: \$0.95 per HPOT
- **Loss:** \$0.05 per HPOT (may be deductible)

Holding period:

- <1 year: Short-term capital gain (taxed as ordinary income in most jurisdictions)
- >1 year: Long-term capital gain (lower tax rate in many jurisdictions)

Disposition Proceeds

Capital gain/loss:

- Original cost basis: \$1.00 per HPOT
- Disposition proceeds: \$1.317 per HPOT
- **Gain:** \$0.317 per HPOT (taxable)

Plus: Distributions received over years (already taxed annually as ordinary income in most cases)

Some jurisdictions: Allow "return of capital" treatment (distributions that reduce cost basis, taxed only on disposition).

Varies widely. U.S., EU, Switzerland all have different rules.

Forced Hold Scenarios

When You CAN'T Exit

1. Lock-up period (first 90 days):

- Can't transfer, can't sell
- **Must wait** until lock-up expires

2. Regulatory freeze:

- FINMA investigation → trading halted
- **Can't exit** until resolved (could be months)

3. Smart contract pause:

- Emergency (exploit detected) → transfers blocked
- **Can't exit** until contracts upgraded/resumed

4. Zero liquidity:

- No buyers on secondary market
- Operator not offering buyback
- **Can't exit** unless you accept fire-sale price (e.g., 50% discount)

5. Disposition rejected:

- SPV proposes sale, HPOT holders vote "No" (don't reach 75%)
 - **Hotel not sold** → you're stuck until next vote (years later)
-

Summary: Exit Is Possible, Not Easy

HPOT is more liquid than direct real estate (can't sell 10% of a hotel building).

But HPOT is NOT liquid like stocks:

- No instant exit (unless deep discount accepted)

- No guaranteed buyer
- No fixed price (market-determined, volatile)

Three pathways:

- **Secondary market** (most flexible, but liquidity varies)
- **Operator buyback** (rare, 10-20% discount)
- **Disposition** (ultimate exit, but 7-10 years away)

Plan for:

- **5-10 year hold minimum** (disposition timeline)
- **Illiquidity premium** (20-30% discount if forced to exit early)
- **Dividend-like income** (distributions provide returns while you wait for exit)

Don't invest if:

- You need money back in <3 years
- You can't tolerate 30%+ paper losses during downturns
- You expect stock-like liquidity

Next: Governance and veto rights — who decides what.

19. GOVERNANCE AND VETO RIGHTS: WHO DECIDES WHAT

Governance Philosophy

Homeunity is **NOT** a **DAO** (Decentralized Autonomous Organization).

Why not:

- Hotels require **professional management** (can't run by committee vote)
- Speed matters (market conditions change daily)
- Expertise matters (most HPOT holders aren't hotel operators)

But: HPOT holders **do** have governance rights for **major strategic decisions**.

Balance:

- **Day-to-day operations:** Operator autonomy
 - **Strategic decisions:** HPOT holder votes
 - **Fiduciary oversight:** Independent administrator (compliance, distributions)
-

What HPOT Holders CAN Vote On

1. Hotel Disposition (Sale)

Trigger: SPV board proposes selling hotel.

Threshold: **75% supermajority** (of HPOT holders who vote)

Process:

- Board publishes proposal (sale price, buyer, terms)
- Voting period: 14 days
- Vote: For / Against / Abstain
- **If $\geq 75\%$ vote For:** Disposition approved
- **If $< 75\%$:** Disposition rejected (hotel not sold)

Example:

- Total HPOT: 10,000,000
 - Votes cast: 8,500,000 (85% participation)
 - For: 6,500,000 (76.5% of votes cast)
 - **Result: APPROVED** (exceeded 75%)
-

2. Major Capital Expenditures

Trigger: Proposed CapEx $> \$500K$ (or $> 5\%$ of hotel value).

Threshold: Simple majority (>50%)

Examples:

- Full hotel renovation: \$2M
- Adding spa wing: \$1.5M
- Converting to different brand: \$800K

Process:

- Operator proposes CapEx (business case, ROI projections)
- SPV board reviews, recommends
- HPOT holders vote (7-day period)
- **If >50% approve:** CapEx proceeds (funded from reserves or special assessment)
- **If ≤50%:** CapEx rejected

Why vote needed:

- Large CapEx depletes reserves (affects distributions)
 - Strategic shift (changes hotel positioning)
-

3. Operator Replacement

Trigger: Proposal to terminate management agreement and hire new operator.

Threshold: 75% supermajority

Grounds:

- Material breach of contract (fraud, gross negligence)
- Persistent underperformance (NOI <80% of comp set for 2+ years)
- Strategic disagreement (board and HPOT holders want different direction)

Process:

- SPV board recommends replacement (detailed justification)
- New operator identified (or search process outlined)
- HPOT holders vote (14-day period)
- **If ≥75% approve:** Old operator terminated, new operator hired
- Transition period (30-90 days handover)

High threshold intentional:

- Prevents frivolous changes (operator needs stability)
 - Ensures broad consensus (not just disgruntled minority)
-

4. Taking on Debt (Refinancing)

Trigger: Proposal to borrow against hotel (mortgage, line of credit).

Threshold: 75% supermajority

Why this would happen (rare):

- Emergency capital need (natural disaster, insurance shortfall)
- Strategic acquisition (buy adjacent property)
- **Note:** Homeunity default is **no debt**, so this is exceptional

Process:

- Board proposes loan (amount, terms, interest rate, purpose)
- Risk analysis (impact on NOI, foreclosure risk)
- HPOT holders vote (14-day period)
- **If $\geq 75\%$ approve:** Loan proceeds
- **If $< 75\%$:** Rejected (remain debt-free)

Example vote:

- Proposal: Borrow \$3M at 5.5% to fund major renovation (vs. waiting years to accumulate reserves)
 - For: 68% (want renovation now)
 - Against: 32% (oppose debt on principle)
 - **Result: REJECTED** (didn't reach 75%)
-

5. Structural Changes

Trigger: Fundamental changes to participation structure.

Threshold: 75% supermajority

Examples:

- Change fiduciary administrator (replace Fuchs Treuhand AG)
- Merge multiple series (combine HPOT-A and HPOT-B into one)
- Migrate to different blockchain (BSC → Ethereum L2)
- Change distribution frequency (quarterly → annual)

Why vote needed:

- Affects all HPOT holders materially
 - Requires broad consensus
-

What HPOT Holders CANNOT Vote On

Explicitly Excluded from Governance

1. Daily Operations:

- Staffing decisions (hiring, firing, compensation)
- Pricing strategy (room rates, dynamic pricing)
- Marketing campaigns (ads, promotions, SEO)
- Vendor selection (supplies, services)
- **Operator has full autonomy**

2. Minor CapEx:

- Under \$500K threshold
- **Example:** Replace lobby furniture (\$80K) → Operator decides, no vote

3. Distribution Timing:

- Fiduciary decides when to authorize (quarterly vs. semi-annual)
- HPOT holders can't vote to "distribute reserves now"

4. Regulatory Compliance:

- Legal/accounting requirements (non-negotiable)
- **Example:** Swiss law requires specific disclosures → no vote needed

5. Emergency Actions:

- Force majeure response (natural disaster, pandemic)
- **Operator + board act immediately** (can't wait for 14-day vote)

Voting Mechanics

How to Vote

Via Dashboard:

- Proposal published (description, options, deadline)
- **You click:** "Vote on Proposal #7"
- **Select:** For / Against / Abstain
- **Sign transaction** (wallet signature, proves you hold HPOT)
- **Vote recorded** on-chain (smart contract)

Timeline: Typically **7-14 days** (depending on proposal importance).

Vote Weighting

One HPOT = One Vote

Example:

- You hold: 50,000 HPOT
- **Your voting power:** 50,000 votes
- Total series: 10,000,000 HPOT
- **Your share:** 0.5%

No weighted voting (unlike some governance systems where early participants get extra votes).

Quorum Requirements

Minimum participation threshold:

- **Quorum:** 30% of total HPOT must vote (for vote to be valid)

Example:

- Total HPOT: 10,000,000
- Quorum: 3,000,000 votes needed
- Votes cast: 2,500,000 (only 25%)
- **Result: VOTE INVALID** (didn't reach quorum, even if 100% voted "For")

Why quorum:

- Prevents small minority from making major decisions
- Ensures broad engagement

If quorum not met:

- Proposal tabled (postponed)
 - Re-vote called (with more outreach, education)
-

Proxy Voting (Future Feature)

Not available at launch, but planned:

How it would work:

- You delegate voting power to another address (e.g., community leader, advisor)
- **They vote on your behalf** (you trust their judgment)
- **You can revoke** anytime

Use case: Passive participants who don't want to track every proposal.

SPV Board Composition and Powers

Who's on the Board

Initial composition (at hotel acquisition):

- **Homeunity representative** (1 seat)
- **Independent director - Hospitality expert** (1 seat)
- **Independent director - Finance/legal** (1 seat)

Total: 3 board members

Term: 2-3 years (staggered, so not all expire at once)

Board Powers

What the board **CAN** do:

- **Oversee operator** (monitor performance, approve budgets)
- **Approve minor CapEx** (under threshold)
- **Propose major decisions** to HPOT holders (disposition, major CapEx, operator change)
- **Coordinate with fiduciary** (financial reporting, distribution authorization)
- **Handle emergencies** (force majeure, regulatory issues)

What the board **CANNOT** do:

- Sell hotel without HPOT holder vote
- Take on debt without HPOT holder vote
- Change operator without HPOT holder vote
- Override fiduciary on distributions

Board is a gatekeeper, not a dictator.

Board Elections (Future)

Currently: Board appointed by Homeunity (at formation).

Future (2-3 years): HPOT holders may vote to elect board members.

Process:

- Candidates nominated (HPOT holders or SPV)
- **Election vote** (simple majority, top 3 candidates win seats)
- **Term:** 3 years

Why not immediate:

- Early stage: Professional board needed (HPOT holders may lack expertise)
 - Transition planned (once ecosystem matures)
-

Fiduciary Administrator Role in Governance

What Fiduciary Does

1. Distribution Authorization:

- Reviews financials (ensures NOI calculation correct)
- Checks reserves (adequate for CapEx needs?)
- **Authorizes payment** (or withholds if issues detected)

2. Registry Administration:

- Records votes (who voted, how)
- Validates vote results (quorum met? threshold reached?)
- **Certifies outcome** (vote passed/failed)

3. Compliance Oversight:

- Monitors adherence to participation agreements
 - Flags violations (operator breach, SPV non-compliance)
 - **Reports to regulators** (if required)
-

Fiduciary as Check on Board

Scenario: SPV board wants to distribute all reserves (maximize short-term payouts, but jeopardize long-term stability).

Fiduciary response:

- **Refuses to authorize** (reserves below target, CapEx needs imminent)
- Board can't override (fiduciary has independent authority)

HPOT holders protected from short-sighted decisions.

Can Fiduciary Be Replaced?

Yes — via HPOT holder vote (75% supermajority).

Grounds:

- Loss of license (Swiss regulatory action)
- Persistent errors (distribution miscalculations, registry mistakes)
- Conflict of interest
- HPOT holders want different administrator (strategic reasons)

Succession process:

- New fiduciary appointed (licensed Swiss firm)
 - Registry transferred (continuity of records)
 - Homeunity coordinates transition
-

Governance Attack Vectors (and Defenses)

Attack 1: Whale Accumulation (Control via Majority)

Threat: Single participant buys 51% of HPOT → controls all votes.

Defense:

1. Purchase limits in HAFS:

- Maximum \$500K per participant per series (5% of \$10M series)
- **Whale can't buy 51%** via primary issuance

2. Secondary market monitoring:

- If whale accumulates via secondary market (buying from many sellers)
- **Alert triggered** when single address exceeds 10%
- SPV board investigates (potential hostile takeover)

3. Supermajority thresholds:

- Disposition, operator change, debt → 75% needed
- **Even 51% whale can't unilaterally force** these actions

4. Multi-series diversification:

- Whale controlling one series doesn't affect other series (isolation)
-

Attack 2: Vote Buying

Threat: Party offers to buy votes ("I'll pay you \$X to vote for my proposal").

Defense:

1. On-chain voting:

- All votes recorded publicly (wallet addresses visible)
- **Pattern detection:** If 100 wallets all vote identically (suspiciously coordinated)
- Investigation triggered

2. Legal prohibition:

- Participation agreements prohibit vote buying (breach = forfeiture of HPOT)

3. Community vigilance:

- Forum discussions (suspicious activity reported)

- **Social enforcement** (vote buyers shamed, proposals defeated)
-

Attack 3: Apathy (Low Participation)

Threat: Only 10% of HPOT holders vote → small minority makes decisions.

Defense:

1. Quorum requirements:

- 30% minimum participation → vote invalid if not met

2. Incentives for voting:

- **Bonus HRPT** for active voters (small reward, e.g., 10 HRPT per vote)
- **Reputation badges** (cosmetic status)

3. Easy voting UX:

- One-click voting (dashboard integration)
- Email/SMS reminders
- **Mobile app** (vote from phone)

4. Education:

- Explainer videos (why this vote matters)
 - Community Q&A (before vote, board answers questions)
-

Governance Timeline: Typical Proposal

Example: Proposal to sell hotel for \$14M.

Week 1: Proposal Published

- SPV board posts (dashboard, email)
- **Details:** Buyer, price, terms, rationale
- **Discussion period** (community forum, Q&A)

Week 2: Voting Opens

- 14-day voting window
- HPOT holders cast votes
- **Real-time tally** visible (transparency)

Week 3: Voting Closes

- Results calculated (For: 82%, Against: 15%, Abstain: 3%)
- **Quorum check:** 85% participated (exceeds 30% minimum)
- **Threshold check:** 82% exceeds 75% supermajority
- **Result: APPROVED**

Week 4: Execution

- Sale agreement signed
- Due diligence begins
- **Closing:** 60-90 days later

Total timeline: ~4 months (from proposal to proceeds distribution).

Emergency Governance

When Speed Matters

Force majeure events:

- Natural disaster (hotel damaged)
- Regulatory shutdown (health code violation)
- Cyber attack (smart contract exploit)

Normal governance too slow (can't wait 14 days for vote).

Emergency powers:

- **SPV board + fiduciary** can act immediately (jointly)
- **Ratification vote** held afterward (HPOT holders approve/reject action taken)

Example:

- Hurricane damages hotel (requires \$1.5M emergency repairs)
- Board authorizes (uses reserves + insurance)
- **No time for vote** (repairs must start immediately)
- **30 days later:** HPOT holders vote to ratify (76% approve → action validated)

If ratification rejected:

- Board may be liable (if action was unreasonable)
 - **Rare scenario** (usually emergency actions are supported)
-

Summary: Balanced Governance

Homeunity governance is:

- **Democratic for major decisions** (disposition, operator change, debt, major CapEx)
- **Professional for operations** (operator autonomy, board oversight)
- **Protected by fiduciary** (independent check on board and operator)

HPOT holders have:

- **Veto power** (75% supermajority can block disposition, debt, operator change)
- **Approval power** (simple majority for major CapEx)
- **Information rights** (full transparency via Digital Twin, reports)

HPOT holders do NOT have:

- **Daily control** (can't micro-manage operations)
- **Guaranteed outcomes** (votes can fail, quorum not met)
- **Unilateral power** (need consensus, thresholds high)

This structure balances:

- **Efficiency** (operators run hotels professionally)
- **Accountability** (HPOT holders can replace underperformers)
- **Protection** (fiduciary prevents short-term thinking)

Next: Roadmap — what's coming next.

20. ROADMAP: WHAT'S NEXT

Current Status (April 2026)

Homeunity is in:

- **Platform development** (MVP dashboard, smart contracts in audit)
- **Legal structuring** (Swiss fiduciary engaged, participation agreements drafted)
- **Hotel sourcing** (negotiations ongoing, no closings yet)
- **Whitepaper finalization** (this document)

What's live:

- HRPT not yet issued
- HPOT not yet issued
- No hotels acquired
- Travel Club not operational

Timeline below is aspirational (subject to change based on market conditions, regulatory developments, fundraising).

Q2 2026 (April-June): Foundation

Platform Launch (MVP)

Deliverables:

- Website live (homeunity.io)
- Whitelist signup (early interest registration)
- HRPT smart contract deployed (BSC mainnet)
- Dashboard beta (participant interface, read-only)

Milestones:

- **1,000 whitelist signups** (interest gauge)
 - **Smart contract audit complete** (CertiK or Quantstamp)
-

HRPT Initial Distribution

Process:

- HRPT contract deployed to BSC mainnet
- Initial supply: 60M HRPT (fixed)
- Airdrop to early community (5% = 1,5M HRPT)
- Public sale (40% = 12M HRPT at \$0.15 each)

Target raise: \$18M (for hotel acquisitions)

Timeline:

- **Mid-May:** Airdrop
 - **Late May - Early June:** Public sale (2-week window)
-

Fiduciary Onboarding

Fuchs Treuhand AG:

- Engagement letter signed
 - Registry infrastructure set up (database, API)
 - Compliance procedures established (KYC provider, sanctions screening)
-

Q3 2026 (July-September): First Hotel

Hotel A Acquisition

Target: 60-80 room property (Portugal, Spain, or Eastern Europe)

Process:

- **Due diligence** (30 days — inspections, appraisals, legal review)
- **Purchase agreement** signed
- **Closing** (45-60 days from agreement)
- **SPV formation** (concurrent with closing)

Funding: HRPT public sale proceeds (\$10-12M for Hotel A)

Timeline:

- **Early July:** Offer accepted
 - **Late August:** Closing
-

HPOT-A Issuance (First Series)**Process:**

- **Asset factsheet** published (hotel details, financials, risks)
- **HAFS onboarding** opens (applications, KYC)
- **HPOT-A issued** (series-specific smart contract)
- **Allocation:** \$10M series (10M HPOT-A)

Phases:

- **Presale (20%):** Early supporters (July)
- **Primary sale (60%):** General onboarding (August-September)
- **Reserve (20%):** Held by SPV (future issuance)

Timeline:

- **Mid-July:** Factsheet published
 - **Late July - September:** HAFS onboarding
 - **October:** First HPOT-A distributions authorized (Q3 results)
-

Travel Club Beta Launch**Deliverables:**

- Hotel A listed on Travel Club portal
- Booking engine integrated (direct reservations)
- Internal rates configured (\$50-70/night, tier-based discounts)
- AI concierge (basic features — destination search, price display)

Metrics:

- **Target:** 100 Club bookings in Q3 (proof of concept)
-

Q4 2026 (October-December): Expansion

Hotel B & C Acquisitions

Target: 2 additional hotels (different geographies)

Examples:

- **Hotel B:** City business hotel (Prague, Budapest, or Warsaw)
- **Hotel C:** Mountain lodge (Swiss Alps or Austrian Tyrol)

Funding: Additional HRPT sales (if needed) or reinvestment of Hotel A distributions

Timeline:

- **October:** Offers submitted
 - **November-December:** Closings
-

HPOT-B and HPOT-C Series

Issued concurrently with Hotel B & C acquisitions.

Total HPOT across 3 series: ~\$30-35M

Secondary Market Launch

Internal marketplace:

- Order book (bids and asks)
- Escrow (smart contract holds HPOT until payment)
- Registry sync (automatic fiduciary notification)

Launch: December 2026

Initial liquidity: Low (only early sellers, most holding for distributions)

Digital Twin v1.0

Features:

- Real-time occupancy (all 3 hotels)
- Revenue dashboard (daily updates)
- Expense tracker (monthly breakdown)
- Review monitor (live feed from TripAdvisor, Google, Booking.com)

Launch: November 2026 (data collection starts at acquisition)

2027: Scale and Optimize

Q1 2027: Portfolio Expansion

Hotel D & E acquisitions:

- **Hotel D:** Beach resort (Greece, Croatia, or Turkey)
- **Hotel E:** Boutique city hotel (Lisbon, Barcelona, or Berlin)

Total portfolio: 5 hotels, ~\$50-60M total value

Q2 2027: Travel Club Enhancement

AI concierge v2.0:

- Multi-hotel itinerary planning
- Price prediction (optimal booking windows)
- Demand forecasting (alerts for high-demand periods)
- Flight integration (search, compare, book)

Dynamic pricing:

- Club rates adjust based on demand (surge pricing during peaks)
 - Tier-specific discounts (automated)
-

Q3 2027: Institutional Gateway

U.S. Accredited Investor access:

- Regulation D compliance (Rule 506(c))
- Verification provider integrated (VerifyInvestor, or similar)
- Separate institutional HAFS portal

Target: \$20M from U.S. institutional investors (pension funds, family offices)

Q4 2027: Governance Maturation

Board elections:

- First HPOT holder board election (1 seat)
- Transition from Homeunity-appointed to community-elected

Proxy voting:

- Delegation feature (passive holders delegate to active voters)
-

2028: Diversification and DeFi

Q1-Q2 2028: Geographic Expansion

Target regions:

- **Asia:** Thailand, Bali, or Vietnam (beach resorts)
- **Americas:** Mexico, Colombia, or Costa Rica (eco-lodges, boutique hotels)

Total portfolio: 8-10 hotels, ~\$80-100M

Q3 2028: DeFi Integration

HPOT as collateral:

- Partner with lending protocol (Aave, Compound, or similar)
- Borrow against HPOT holdings (without selling)

Example:

- You hold 50,000 HPOT-A (worth \$55,000 at \$1.10 NAV)

- **Borrow:** \$30,000 USDC (55% LTV — loan-to-value)
- **Collateral:** HPOT remains yours (earns distributions)
- **Use loan:** For anything (personal, invest elsewhere, etc.)

Interest rate: Market-determined (e.g., 5-8% annually)

Risk: If HPOT value drops, collateral liquidated (you lose HPOT).

Q4 2028: Yield Farming / Staking

Stake HPOT for bonus rewards:

- Lock HPOT for 6-12 months
- Earn extra HRPT (e.g., 5-10% APY in HRPT rewards)

Why stake:

- Reduces selling pressure (locked tokens)
 - Rewards long-term holders
 - Creates additional utility for HRPT
-

2029+: Maturity and Exits

Disposition Events Begin

Hotels acquired 2026-2027 reach 3-5 year mark:

- Market conditions evaluated
- **Opportunistic sales** (if premium offers received)

First disposition vote: Likely 2029-2030

Cross-Chain Expansion

Multi-chain support:

- Ethereum L2 (Arbitrum, Optimism)
- Polygon
- Potential: Solana (if ecosystem matures)

Why:

- Access to different liquidity pools
 - Broader participant base
 - Risk diversification (not dependent on BSC alone)
-

Ecosystem Partnerships

Travel integrations:

- Flight booking APIs (Skyscanner, Kayak partnerships)
- Activity booking (GetYourGuide, Viator)
- Car rentals (Enterprise, Hertz)

Result: Homeunity becomes **one-stop travel AI-platform** (not just hotels).

Long-Term Vision (2030+)

Portfolio Scale

Target: 20-30 hotels, \$200-300M total value

Geographic distribution:

- Europe: 40%
 - Asia: 30%
 - Americas: 20%
 - Other: 10%
-

Travel Club Dominance

Membership: 4,475 Elite members (cap reached)

Annual room-nights: 50,000+ (across portfolio)

Member satisfaction: NPS >70 (Net Promoter Score — industry-leading)

HPOT Secondary Market Maturity

Daily trading volume: \$500K-1M (across all series)

Bid-ask spreads: <2% (liquid market)

Market makers: Professional firms providing liquidity

Regulatory Clarity

Hopeful outcomes:

- Swiss FINMA confirms: HPOT outside CIS scope (no fund license needed)
- EU MiCA clarity: HPOT treated as asset token (regulated but accessible)
- U.S. SEC: Tokenized real estate framework published (provides safe harbor)

Risk: Regulatory crackdown (forces restructuring or wind-down).

What Could Go Wrong (Roadmap Risks)

Slower Hotel Acquisitions

Risk: Can't find suitable hotels at acceptable prices.

Impact: Roadmap delayed 6-12 months per phase.

Regulatory Headwinds

Risk: FINMA requires CIS license, or EU bans tokenized real estate.

Impact: Structure changes, higher costs, or geographic restrictions.

Technology Failures

Risk: Smart contract exploits, oracle failures, blockchain instability.

Impact: Platform downtime, loss of funds, participant distrust.

Market Crash

Risk: 2028 recession → tourism collapse, hotel values crash 40%.

Impact: Distributions plummet, secondary market freezes, forced sales at losses.

Competitive Pressure

Risk: Competitors launch similar models (better tech, lower fees, stronger brand).

Impact: HRPT demand falls, HPOT liquidity suffers, hotel acquisitions harder.

Commitment to Transparency

Quarterly roadmap updates:

- What we achieved (vs. plan)
- What we missed (and why)
- Revised timeline (if delays)

Annual community call:

- Live Q&A (team + SPV board + fiduciary)
- Performance review
- Next year priorities

No overpromising. Roadmap is **aspirational**, not guaranteed.

Summary: Building for the Long Term

2026: Foundation (HRPT, first hotel, HPOT-A, Travel Club beta)

2027: Scale (5 hotels, enhanced features, institutional access)

2028: Diversify (8-10 hotels, DeFi integrations, cross-chain)

2029+: Mature (dispositions, 20+ hotels, dominant Travel Club)

This is a 5-10 year journey, not a quick flip.

We're building:

- Sustainable infrastructure (not hype)
- Real assets (hotels, not vaporware)
- Aligned incentives (participants, operators, team all benefit from success)

Next: Appendices — glossary, formulas, references.

APPENDICES

APPENDIX A: GLOSSARY — EVERY TERM DEFINED

ACR (Asset Coverage Ratio): Ratio of hotel value + reserves to total HPOT issued. Healthy ACR >1.0. Formula: (Hotel Value + Reserves) / Total HPOT.

ADR (Average Daily Rate): Average price per occupied room. Formula: Room Revenue / Rooms Sold.

Bankruptcy Remoteness: Legal isolation of SPV from other entities. If one hotel fails, creditors cannot reach other assets.

BSC (Binance Smart Chain): Blockchain network where HRPT and HPOT tokens are issued. EVM-compatible, low fees (~\$0.50 per transaction).

CapEx (Capital Expenditures): Major improvements or renovations (e.g., bathroom overhaul, new HVAC). Funded from reserves.

CIS (Collective Investment Scheme): Swiss regulatory category for pooled investment funds. Homeunity aims to avoid CIS classification.

Comp Set: Comparable hotels in same market (used for benchmarking performance).

Digital Twin: Virtual replica of hotel operations (real-time data dashboard).

Disposition: Sale of hotel. Requires 75% HPOT holder vote. Proceeds distributed pro-rata.

DLT (Distributed Ledger Technology): Blockchain. Swiss law recognizes DLT-based Registerwertrechte.

FINMA: Swiss Financial Market Supervisory Authority (regulator).

GOP (Gross Operating Profit): Revenue minus departmental expenses (before fixed costs like property tax, insurance).

HAFS (Homeunity Asset Facilitation System): Onboarding platform for HPOT issuance. Includes KYC, suitability checks, payment processing.

HPOT (Homeunity Participation Object Token): Token representing participation in hotel NOI. One series per hotel. Swiss Registerwertrechte.

HRPT (Homeunity Protocol Token): Utility token for Travel Club access. No profit rights. Fixed supply (300M).

KYC (Know Your Customer): Identity verification process (passport, proof of address, liveness check).

Lock-Up Period: Time during which HPOT cannot be transferred (typically 90 days after issuance).

NAV (Net Asset Value): Hotel value (appraised or estimated) divided by total HPOT. Example: \$11M hotel / 10M HPOT = \$1.10 NAV.

NOI (Net Operating Income): Revenue minus operating expenses. Source of HPOT distributions. Formula: Revenue - OpEx.

Occupancy Rate: Percentage of rooms occupied. Formula: Rooms Sold / Total Rooms Available.

OTA (Online Travel Agency): Booking.com, Expedia, Hotels.com, etc. Typically charge 15-25% commission.

PMS (Property Management System): Hotel software for reservations, check-ins, billing (e.g., Opera, Cloudbeds).

Record Date: Snapshot date for distribution eligibility. Hold HPOT on record date → receive distribution.

Registerwertrechte: Swiss legal term (Art. 973d CO) for registry-recorded contractual rights. Foundation of HPOT.

Reserve Fund: Pool of capital (20% of NOI) set aside for CapEx and emergencies.

RevPAR (Revenue Per Available Room): Key hotel metric. Formula: ADR × Occupancy.

SPV (Special Purpose Vehicle): Separate legal entity owning one hotel. Provides bankruptcy

remoteness.

Supermajority: 75% vote threshold for major decisions (disposition, operator change, debt).

Travel Club: Homeunity membership program. HRPT holders access internal hotel rates (50-85% below market).

Waterfall: Priority order for cash distributions (OpEx → Reserves → Fees → HPOT holders).

APPENDIX B: TECHNICAL REFERENCE — FORMULAS AND CALCULATIONS

NOI Calculation

NOI = Total Revenue - Operating Expenses Where: Total Revenue = Room Revenue + F&B Revenue + Ancillary Revenue
Operating Expenses = Rooms Dept + F&B Dept + Utilities + Maintenance + Marketing + A&G + Other
Property Tax + Insurance +

Distribution Waterfall

Distributable Amount = NOI - Reserves - Priority Fees Reserves = NOI × 20%
Priority Fees = Fiduciary Fee + Platform Fee Your Distribution = (Your HPOT / Total HPOT) × Distributable Amount

Key Hotel Metrics

ADR (Average Daily Rate) = Room Revenue / Rooms Sold Occupancy Rate = Rooms Sold / (Total Rooms × Days in Period)
RevPAR = ADR × Occupancy = Room Revenue / Total Rooms Available
NOI Margin = NOI / Total Revenue

Asset Coverage Ratio (ACR)

ACR = (Hotel Market Value + Reserve Fund Balance) / Total HPOT Issued Healthy:
ACR ≥ 1.0 Warning: ACR < 1.0 Distressed: ACR < 0.8

NAV Per HPOT

NAV = (Hotel Value + Reserves - Liabilities) / Total HPOT Example: Hotel Value:
\$11,000,000 Reserves: \$1,500,000 Liabilities: \$100,000 Total HPOT: 10,000,000
NAV = (\$11M + \$1.5M - \$0.1M) / 10M = \$1.24 per HPOT

Yield Calculation

Annual Yield = (Annual Distribution / Investment) × 100% Example: Investment:
\$50,000 Annual Distribution: \$10,250 Yield = (\$10,250 / \$50,000) × 100% = 20.5%

Disposition Proceeds

Net Proceeds = Sale Price - Transaction Costs - Liabilities Your Share = (Your
HPOT / Total HPOT) × Net Proceeds Example: Sale Price: \$14,200,000 Transaction
Costs (7%): \$994,000 Liabilities: \$80,000 Net Proceeds: \$13,126,000 Your HPOT:
50,000 (0.5% of 10M) Your Share: 0.5% × \$13,126,000 = \$65,630

APPENDIX C: STATUS TAXONOMY — READING THE SYSTEM STATE

HPOT Series Status Codes

ACTIVE: Series operational, hotel running, distributions ongoing.

ONBOARDING: Series issued but hotel acquisition not yet closed.

SUSPENDED: Distributions paused (reserves rebuilding, or force majeure).

DISTRESSED: ACR <0.8, hotel underperforming, potential disposition.

DISPOSITION_PENDING: Vote approved to sell hotel, transaction in progress.

LIQUIDATED: Hotel sold, proceeds distributed, series closed.

Travel Club Tier Status

STARTER: 15-1500 HRPT (basic benefits)

MEMBER: 1,500-15,000 HRPT (+5% discount, 48hr priority)

PRO: 15,000-150,000 HRPT (+10% discount, 7-day priority)

ELITE: 150,000+ HRPT (+15% discount, instant confirmation, Premium AI)

Alert Levels

GREEN (Informational): Positive trends, routine updates. No action needed.

YELLOW (Warning): Metrics outside normal range. Operator investigates.

RED (Critical): Serious issue (occupancy crash, expense spike, review collapse). Requires response.

PURPLE (Emergency): Force majeure, regulatory shutdown, smart contract exploit. Immediate action.

APPENDIX D: HOW TO READ YOUR ASSET FACTSHEET

Every HPOT series has an **Asset Factsheet** (10-15 page PDF).

Typical Contents:

1. Hotel Overview

- Location (address, map, photos)
- Type (beach resort, city hotel, mountain lodge, etc.)
- Size (number of rooms, square footage)
- Amenities (pool, spa, restaurant, parking, etc.)
- Year built / last renovation

2. Market Analysis

- Tourism statistics (annual visitors, growth trends)
- Comp set (competitor hotels, their performance)
- Seasonality (peak vs. off-peak months)
- Economic drivers (events, conferences, attractions)

3. Financial Projections

- Revenue forecast (by source: rooms, F&B, ancillary)
- Expense budget (by category)
- **Projected NOI** (conservative, base, optimistic scenarios)
- **Expected distributions** (per HPOT, annually)

4. Operator Profile

- Management company name, experience
- Track record (other hotels managed, performance)
- Compensation structure (base fee, performance fee)

5. HPOT Series Terms

- Total HPOT issued (e.g., 10M)
- Reference price (\$1 per HPOT)
- Minimum investment (e.g., \$5,000)

- Lock-up period (e.g., 90 days)
- Distribution frequency (quarterly)

6. Risks

- Hotel-specific risks (location, competition, regulatory)
- Market risks (tourism demand, economic cycles)
- Operational risks (operator dependence, technology)

7. Governance

- SPV board composition
- Voting thresholds (disposition 75%, CapEx 50%, etc.)
- Fiduciary administrator contact

8. Tax Considerations

- Withholding tax (Swiss, if applicable)
- Suggested tax treatment (consult advisor)
- Reporting obligations

9. Legal Disclaimers

- "This is not investment advice"
- "You can lose 100%"
- "Projections are not guarantees"

10. Contact Information

- Support email, phone
- Dashboard link
- Legal/compliance inquiries

APPENDIX E: REGULATORY FRAMEWORK SUMMARY

Switzerland (Primary Jurisdiction)

Legal Basis: Registerwertrechte (Art. 973d Swiss Code of Obligations)

FINMA Classification:

- **HRPT:** Utility token (consumptive use, no securities classification)

- **HPOT:** Asset token (contractual participation rights)

CIS (Collective Investment Scheme) Analysis:

- **Homeunity position:** HPOT outside CIS scope (single asset per series, not pooled fund)
- **FINMA position:** To be determined (ongoing dialogue, legal opinions on file)

Licensing: None required (as of April 2026, subject to change)

Compliance:

- AML/KYC (via licensed provider)
 - Swiss registry administration (Fuchs Treuhand AG)
 - Annual reporting (if series >CHF 10M)
-

European Union (Non-Swiss)

MiCA (Markets in Crypto-Assets Regulation): Effective 2024

HPOT Classification: Likely "asset-referenced token" (requires authorization under MiCA)

Distribution Restrictions:

- **Retail:** May require prospectus (depending on member state)
- **Professional investors:** More accessible
- **Reverse solicitation:** Allowed (investor initiates contact)

Compliance:

- Issuer authorization (if offering to EU retail)
 - Whitepaper (MiCA-compliant disclosure)
 - Regulatory notifications (per member state)
-

United Kingdom

FCA (Financial Conduct Authority) Jurisdiction

HPOT Classification: Potentially "specified investment" or "security token"

Distribution:

- **Retail:** Restricted (unless FCA-authorized)
- **High-Net-Worth / Sophisticated Investors:** Exemptions available
- **Overseas persons exemption:** Non-UK investors accessing from abroad

Compliance:

- Financial promotion restrictions (no UK retail marketing without authorization)
 - AML (registered crypto asset firm, if UK operations)
-

United States

Securities Law:

- **HPOT:** Potentially a "security" under Howey Test (investment contract)
- **HRPT:** Utility token positioning (avoid securities classification)

Offering Restrictions:

- **U.S. Retail: NOT AVAILABLE** (no registration statement filed)
- **U.S. Accredited Investors:** Institutional gateway (Regulation D, Rule 506)
- **Non-U.S. Persons:** Regulation S (offshore transactions)

Compliance:

- Form D filing (if Reg D offering)
 - Accredited investor verification (Rule 506(c))
 - Transfer restrictions (12-month lock-up for Reg D, resale limitations)
-

Other Jurisdictions

China (PRC): Likely prohibited (crypto restrictions, capital controls)

Singapore: MAS regulation (CMP framework) — retail access may require licensing

Hong Kong: SFC oversight (may require Type 1 or 9 license for distribution)

UAE / Dubai: VARA regulation (crypto asset framework) — requires license for marketing

Japan: FSA oversight (crypto asset exchange license needed for Japanese distribution)

Compliance Strategy

Homeunity approach:

- **Primary jurisdiction:** Switzerland (clear legal framework, FINMA dialogue)
- **Restricted jurisdictions:** Blocked (geo-blocking, KYC checks)
- **Allowed jurisdictions:** Case-by-case (legal opinions, local counsel)
- **Institutional pathway:** Separate onboarding (for U.S. Accredited, EU Professional, etc.)

Ongoing monitoring: Regulations evolve. Legal team tracks changes, adjusts compliance.

APPENDIX F: CONTACT INFORMATION AND RESOURCES

Official Channels

Website: <https://homeunity.io>

Dashboard: <https://app.homeunity.io>

Email Support:

- General inquiries: support@homeunity.io

- Technical issues: tech@homeunity.io
- Financial/HPOT questions: finance@homeunity.io
- Legal/compliance: legal@homeunity.io

Phone: +1 520 504 3939 (Switzerland, business hours 9 AM - 6 PM CET)

Social Media & Community

Twitter/X: [@homeunityio](https://twitter.com/homeunityio) (official announcements)

Telegram: t.me/homeunityio (community chat, support)

Discord: discord.gg/homeunityio (governance discussions, Q&A)

LinkedIn: Homeunity (company updates, hiring)

Medium: medium.com/@homeunity (blog, deep dives)

Legal & Regulatory

Fiduciary Administrator:

Fuchs Treuhand AG

Address: [Lucerne, Switzerland — full address in actual docs]

Legal Counsel:

[Swiss law firm name] TBA

[Address] TBA

[Contact info] TBA

Documentation

Public Whitepaper: This document (homeunity.io/whitepaper)

Asset Factsheets: Per-series (dashboard → "Series Info" → Download PDF)

Terms of Service: homeunity.io/terms

Privacy Policy: homeunity.io/privacy

Participation Agreements: Provided during HAFS onboarding (sign electronically)

Developer Resources

Smart Contracts (BSC):

- HRPT: `0x41bE4f626808C3a56d7C2E66b3e8f106b4a2D832` (verify on BSCScan)
- HPOT-A: [Address once deployed]
- Distribution Manager: [Address once deployed]

GitHub: github.com/homeunity (open-source components)

API Documentation: docs.homeunity.io (for developers integrating with Homeunity data)

External Resources

Swiss Law Reference:

- Code of Obligations (Art. 973d): [admin.ch/opc/en/classified-compilation/19110009](https://www.admin.ch/opc/en/classified-compilation/19110009)

FINMA Guidance:

- ICO Guidelines: [finma.ch/en/finma-public/](https://www.finma.ch/en/finma-public/)

BSC Block Explorer:

- BSCScan: bscscan.com

Market Data:

- STR (Smith Travel Research): [str.com](https://www.str.com) (hotel comp set data)
-

Feedback & Suggestions

We want to hear from you:

- Feature requests: feedback@homeunity.io
- Bug reports: bugs@homeunity.io
- Partnership inquiries: partnerships@homeunity.io

Community governance forum:

- forum.homeunity.io (propose ideas, discuss governance)
-

Emergency Contact

For urgent issues (smart contract exploit, security breach, force majeure):

- **Emergency hotline:** +1 520 504 3939 (24/7)
 - **Emergency email:** emergency@homeunity.io (monitored 24/7)
-

FINAL NOTES

This whitepaper is a living document. As Homeunity evolves, we will publish updates:

- **Minor updates:** Quarterly (clarifications, new FAQs, updated contact info)
- **Major updates:** Annually or upon significant changes (new legal opinions, regulatory developments, structural changes)

Version history: Available at homeunity.io/whitepaper/versions

Current version: 2.0 (April 2026)

Thank you for reading.

If you've made it this far, you understand:

- The opportunity (participate in hotel economics, use Travel Club)
- The structure (Swiss Registerwertrechte, SPV isolation, four-layer separation)
- The risks (you can lose 100%, illiquidity, regulatory uncertainty)
- The commitment (this is 5-10 years, not a quick trade)

Next steps:

- Join the waitlist (homeunity.io/signup)
- Complete KYC (when platform launches)
- Decide: HRPT only (Travel Club) or HRPT + HPOT (economic participation)
- Monitor your dashboard (track performance, claim distributions)
- Engage in governance (vote on major decisions)

Welcome to Homeunity.

Let's build the future of hospitality participation together.

END OF WHITEPAPER
