



DEVELOPMENT OUTLINE
BLOCKPARK HOLDINGS LLC and ACCLIVITY PARTNERS, LLC

8 SEPTEMBER 2018

This Development Outline (the “**Outline**”) is entered on September 8, 2018 by and between Acclivity Partners, LLC (“**Acclivity**”) and BlockPark Holdings LLC (“**BlockPark**”) and together (the “**Venture Partners**” and/or the “**Parties**”). This Outline is intended by the Parties to lay out the business points that will be integrated into a Development Management Agreement, entered into by the Venture Partners with special purpose entities to be established for the following described project.

The Venture Partners are exploring the opportunity to establish a real estate joint venture that would invest funds, develop, and own two fifteen-story mixed-use towers. The towers will include approximately 250 +/- residential units, 38,000 sf +/- of commercial / retail space for the community, accessory on-site parking for the residences and visitors to the buildings. The project will be located on two property parcels presently owned by an affiliate of BlockPark, in the active Downtown Area of Las Vegas, Nevada. The two parcels are across the street from each other at the intersection of S. Maryland Parkway, between S. 11th and Lewis Avenue, with the first parcel being 45,700 square feet (1.05 acres, APN: 139-34-712-120, 139-34-712-099, 139-34-712-101, 139-34-712-100) and the second parcel is at 14,375 square feet (0.33 acres APN: 139-34-712-098). BlockPark (or its affiliate) has obtained from the City of Las Vegas, planning and zoning entitlements for the project. Collectively the residential, retail and parking uses will be designed into a unified site development, and will be legally subdivided into individual recorded parcels, and governed through a Reciprocal Easement Agreement (together with all future structures thereon the “**Project**”).

The Project requires the collaboration between architectural, engineering, legal, professional consultants, general contractor and financing partners (collectively the “**Development Team**”). Acclivity Partners will work diligently with BlockPark Capital to create a Development Team to ensure that the building’s design, budget, pro forma, financing, schedule, construction, marketing, operations and the lease-up absorption will provide a platform for the Project.

Scope of Services

The parties intend that Acclivity will be the developer and construction manager for the Project. Below is a summary of Acclivity’s services defined into multiple phases to delineate the development processes. The first phase is the preliminary due diligence, programming, design, and financial analysis efforts, that when combined – are intended to provide the necessary information to determine whether to proceed with the development of the Project. The subsequent Pre-Construction, Construction and Post-Construction phases will include all other services necessary to build and complete the Project.



Phase I: Property Due Diligence, Revising the Buildings, and Financial Feasibility

Acclivity shall perform all due diligence investigation on the property necessary to develop BlockPark's intended program within a Feasibility Period that is presently expected to be completed within five (5) months. BlockPark expects to conduct (through an affiliated company) an offering of securities for the purpose of raising minimum funds (the "Minimum Amount") required (in BlockPark's sole and absolute determination) for BlockPark to provide a portion of the funds required to complete the Project. Upon BlockPark's closing of such offering in which BlockPark receives and is entitled to use funds in no less than the Minimum Amount, BlockPark will exercise commercially reasonable efforts to cause the Project's special purpose LLC (as defined below) to engage with Bastion Global Capital Inc. to originate the financial offering prospectus in furtherance of the such entity raising additional funds for the Project. Engagement of Bastion Capital is subject to Bastion Capital agreeing to perform pursuant to terms and conditions satisfactory to Project Entity. Assuming its engagement, Bastion will present the prospectus to select equity and senior lending institutions to obtain the balance of required Project financing. Acclivity may, subject to its reasonable discretion, conduct the property due diligence in parallel with the above described funding process such that it shall be substantially concluded prior to engagement of Bastion Capital.

During this Phase, Acclivity shall create a due diligence report for BlockPark, and such report shall include Acclivity's written overview of the Project with recommendations. Such investigation shall include the following:

Property Report: (a) land title and survey; (b) land entitlement requirements; (c) geotechnical conditions; (d) environmental review; (e) utility services; (f) permits and fees; (g) other conditions affecting the land; and (h) estimated costs on project permits and fees.

Facility Program and Design: working with the selected architect to create a programmatic design for the Project including: (a) development of the residential, retail, and parking building program, including the complete front-of-house common areas, the back-of-house service areas, and the typical unit mix and module size; (b) solutions to the site, buildings and parking locations; (c) building floor plans and the architectural design intent and site massing.

Project Budgets, Pro Formas and Schedules: Acclivity shall create, (a) development budgets, residential, retail, and parking pro forma's; (b) preliminary construction cost estimates; (c) and development schedules.

Phase II: Project Integration and Project Financing

If BlockPark determines that the Project is suitable for development after Phase I, Acclivity will commence the Phase II work efforts for the Project. Identified processes in Phase II include integrating the planning, zoning and code requirements, transportation and parking requirements, utility infrastructure requirements, power and energy options, architectural design, and site design, and finalizing the residential, retail and parking programs.



Acclivity owns and operates Imagen Power, LLC an engineering company that is capable of providing alternative energy solutions for the Project.

On the economic side, in conjunction with Bastion, the Project's special purpose LLC will exercise commercially reasonable efforts to close on the remainder of required funding for the Project. During this phase, the balance of the professional consultants will be identified and, to the extent applicable, contracted into the Development Team.

Phase III: Pre-Construction Period - Construction Documents and Permitting

Acclivity will facilitate through the Development Team, the final design-development and construction documents required to secure all governmental permits and approvals required for construction of the Project. Meetings will be held on a bi-monthly basis (or sooner as required). Cost estimates will be prepared to ensure that the design conforms to the Project's functional, aesthetic and budget requirements.

During this phase, Acclivity will conduct value engineering, constructability, budget and deliverability reviews, resulting in the completion of a construction contract between the Owner and General Contractor.

Phase IV: Construction Period

Acclivity Partners will continue to manage the various members of the Development Team by coordinating and administering the construction process through completion. Acclivity Partners, in conjunction with the Inspecting Architect, will make weekly site visits and prepare progress reports reviewing the construction program both on a regular and as-needed basis.

The integral construction administration program of Acclivity Partners will monitor construction budgets and critical path time schedules, as well as the General Contractor's compliance with project specifications. Upon Project completion, Acclivity will assist the Architect and General Contractor with the preparation of the construction punch list to obtain the Certificate of Occupancy.

Phase V: Post-Construction Period

At appropriate intervals following Project completion and initial occupancy, meetings with Project occupants (including the residents and any applicable retail tenants) will be organized to ensure satisfaction. Items raised will be addressed with remedial work conducted as required, and in the event changes or repair work is requested, a recommendation will be presented by Acclivity for approval from the Project's special purpose LLC.

Partnership Structure

If BlockPark elects to proceed with the Project following Phase I, if not already formed, BlockPark will form a special purpose Limited Liability Company (the "Project's special purpose LLC") to hold title to the land and to develop, construct, and operate the Project. The Venture Partners will be members of the LLC, with BlockPark

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serving as the Managing Member and General Partner at an anticipated 85.0% ownership position, and will carry out day-to-day operating and management responsibilities in accordance with annual business plans approved in accordance with its operating agreement; and Acclivity shall be a Limited Partner at a 15.0% ownership position (subject to ordinary dilution of the Parties hereto resulting from grants of equity to third-parties). BlockPark will cause its affiliate to contribute the land into the Project's special purpose LLC, pro-rated between the Project's components. BlockPark shall be entitled, in addition to its ownership position to commercially reasonable compensation for its management services.

Project Guarantees

1. If construction financing is utilized, and if Interest Guaranties (and/or Completion Guaranties) are required, BlockPark and/or an affiliate approved by the lender shall provide the Guaranties.
2. If construction financing requires a Recourse Loan, BlockPark and/or an affiliate approved by the lender shall provide the guarantee.
3. The Venture Partners and/or an affiliate shall provide "bad boy" type guarantees and carve-outs as required by the construction lender.
4. The Venture Partners will not guarantee operating deficits or financial performance post-completion.

Distributions & Reinvestments

Subject to applicable law, contractual obligations and the Project's special purpose entity's operating agreement, Stabilized Cash Flow distributions shall be made on a quarterly basis with responsible reserves maintained to provide working capital and for planned and unforeseen expenditures. The Parties intend that the Project's special purpose LLC will make annual distributions in an amount not less than the amount that will be adequate to cover its members' annual Federal and State tax liabilities relating to the company.

Proceeds from Cash Flow or Capital Events shall be distributed via waterfall to the Venture Partners based on the General Partners and Limited Partners position.

Services to the Project

Financial Plan Preparation	Acclivity / BlockPark
Project Budget and Schedule	Acclivity
Financing Prospectus and Origination	Bastion / Acclivity
Company Documentation	BlockPark
Developer	Acclivity



Construction and Project Administration

Acclivity

Asset Manager

BlockPark

Acclivity Partners Compensation

Phase I: Property Due Diligence, Revising the Buildings, and Financial Feasibility

Due Diligence Investigation:	\$25,000 per month / up to 5 months
Due Diligence Report:	\$10,000 completed report

Five (5) months are programmed for this phase, paid on the first day of each month. Months added to this period following Acclivity's delivery to BlockPark of the final Due Diligence Report will be paid at \$25,000 per month, until BlockPark has determined if it will proceed with development of the Project. If BlockPark determines that it will not proceed with development of the Project, no further compensation will be paid to Acclivity. Acclivity shall exercise commercially reasonable efforts to complete the Due Diligence Investigation in an efficient manner such as to minimize the number of months during which such services are provided.

Reimbursements: Customary costs incurred by Acclivity for transportation, travel, hotels, telephone, special delivery, food and beverage costs preformed for the Project will be reimbursable expenses and paid (without mark-up) by BlockPark.

Payment of fees and expenses by BlockPark are contingent upon BlockPark's receipt and entitlement to use the Minimum Amount of funds by way of the offering of securities described above. If BlockPark is not able to secure the Minimum Amount of funds by way of the offering of securities described above, Acclivity, Bastion and BlockPark will seek conventional financing for the Project. Acclivity may, but shall not be required to, perform services prior to receiving written notice from BlockPark of its successful raising of the Minimum Amount.

Phase II, Phase III, Phase IV and Phase V:

As compensation for its development services hereunder during the Pre-Construction, Construction and Post Construction Phase to be further defined through a Development Agreement, Acclivity shall be entitled to a fee in the amount of 5.0% of the total Project Costs (excluding the cost (or value of) the land). Prior fees paid to Acclivity will be credited to this fee.

As compensation for its construction management services, to be further defined through a Construction Management Agreement, Acclivity shall be entitled to a fee in the amount of 1.25% of the approved construction hard costs budget for the Project, payable to Acclivity during the Pre-Construction and Construction Periods.

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The development budget shall contain funds to pay on the Project's Retail areas, with commissions to outside brokers equal to 6.0% of the pro forma rent during the primary term. In the event retail leases are negotiated directly by Acclivity or BlockPark, and commission payments are saved, BlockPark and Acclivity shall be entitled to equally split any unspent commissions 50% / 50% on all fees earned. Such payment shall be treated as a "preferred distribution".

Subject to applicable law, if the Project is sold after the completion of the Project to a third-party buyer, BlockPark and Acclivity will equally split any "Disposition Fee" that is payable under the Project special purpose LLC's operating agreement 50% / 50%.

General Notes

Based on the program and operational requirements as established by BlockPark and Acclivity, it is understood that subject to BlockPark raising the Minimum Amount, BlockPark will invest the necessary funds to complete Phase I for the project. Acclivity and Bastion will provide best efforts to reimburse Phase I funds back to BlockPark from the equity capital and / or the senior loan provider(s).

For the balance of the project Phases (II through V), the equity investors and senior lenders will finance all Project costs; Acclivity in conjunction with BlockPark, will serve only to facilitate all project costs. Project costs include, but are not limited to, all direct and indirect hard or soft costs in connection with the Project, and all expenses incurred by Acclivity and BlockPark in relation to the project.

BlockPark may, by written notice to Acclivity (which may be an email to Acclivity's signatory to this agreement or any other responsible officer of Acclivity), terminate this Outline at any time prior to BlockPark's receipt of the Due Diligence Report, and paying to Acclivity a payment of \$135,000, including reimbursable costs incurred by Acclivity prior to BlockPark's sending notice of termination. If BlockPark proceeds with the Project without Acclivity as the developer and construction manager, a termination fee of \$700,000 will be immediately paid to Acclivity by BlockPark or its affiliates. Either Party may terminate this Agreement by written notice to the other party upon failure of any condition to this Outline (including without limitation any item (i) subject to a Parity's discretion or (ii) in respect of which an applicable Party exercised the required level of efforts, provided however, that such termination shall, if requested by the non-terminating party in writing, be subject to a thirty (30) day cure period.

This Outline shall be governed by and interpreted in accordance with the laws of the State of California. The Party's intend to enter into definitive agreements in furtherance of the Project, which shall integrate and render this Outline void and without further effect.

Both parties agree that all data and information regarding the Project will remain confidential, and that no press or other publicity release or communication to the general public concerning the Project, will be issued without the other Party's prior written approval, except where required by governmental law pertaining to the public's right to access records.

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IN WITNESS WHEREOF, the parties hereto have caused this Outline to be duly executed as of the day and year first written above.

Acclivity Partners, LLC

By:  12 September 2018
Jon Rodgers, Managing Principal

BlockPark Holdings LLC, and its affiliates

By:  9/13/2018
Daniel Riceberg, Managing Principal