

CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM

USDPROP REAL ESTATE FUND *A tokenized real estate investment fund organized under the laws of [Jurisdiction]*

Offering of USDPROP Security Tokens (ERC-3643) on the Polygon Blockchain Minimum Initial Investment: [e.g., 5,000 USDC] (Configurable) Base Currency: USD Coin (USDC)

IMPORTANT REGULATORY NOTICES AND DISCLAIMERS

[!WARNING] **THESE SECURITIES HAVE NOT BEEN REGISTERED WITH THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION (SEC) OR ANY STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. THEY ARE BEING OFFERED IN RELIANCE ON EXEMPTIONS FROM REGISTRATION UNDER RULE 506(C) OF REGULATION D AND REGULATION S UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT").**

FOR UNITED STATES INVESTORS (REGULATION D, RULE 506(c)): This offering is open only to "Accredited Investors" as defined in Rule 501(a) of Regulation D under the Securities Act. The Issuer is required to take reasonable steps to verify that all US-based investors are accredited. This verification involves reviewing tax returns, bank statements, brokerage accounts, or obtaining written confirmation from a CPA, attorney, or registered broker-dealer.

FOR INTERNATIONAL / LATIN AMERICAN INVESTORS (REGULATION S): This offering is open to non-US persons ("Non-U.S. Persons") outside the United States in reliance on Regulation S. The tokens offered hereby may not be offered, sold, or delivered within the United States or to, or for the account or benefit of, US Persons except pursuant to an exemption from the registration requirements of the Securities Act.

LIQUIDITY AND TRANSFER RESTRICTIONS: An investment in the USDPROP Token is highly speculative, illiquid, and involves a high degree of risk. There is no public market for the USDPROP Token, and none is expected to develop. Transferability of USDPROP Tokens is strictly controlled on-chain via smart contracts. Tokens are subject to regulatory lock-up periods:

- **US Investors (Reg D 506(c)):** A mandatory 365-day holding period (`LOCKUP_USA_SECONDS`) from the date of initial issuance.
- **Non-US / LATAM Investors (Reg S):** A mandatory 40-day holding period (`LOCKUP_REGS_SECONDS`) from the date of initial issuance.
- All secondary transfers must comply with KYC/AML protocols, country-specific limits, and regulatory constraints implemented on-chain via the ERC-3643 standard compliance module.

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1. EXECUTIVE SUMMARY

The **USDPROP Real Estate Fund** (the "Fund") is a tokenized investment vehicle designed to acquire, manage, and distribute yields from a curated portfolio of real estate assets. The Fund offers fractionalized ownership interest represented by the **USDPROP Security Token**, an ERC-3643 compliant token deployed on the **Polygon Mainnet** (Chain ID: 137).

By leveraging blockchain technology, the Fund aims to reduce administrative friction, automate compliance rules, lower entry barriers for accredited investors, and offer transparent, on-chain distribution of yield (dividends).

- **The Asset:** Real estate equity, debt instruments, or yield-generating commercial properties.
- **The Token:** USDPROP, representing a proportional equity or debt interest in the Fund.
- **The Protocol:** ERC-3643 (Tokeny T-Rex standard) natively enforcing KYC/AML checks, transfer restrictions, lock-ups, and country-level caps directly within the blockchain consensus layer.

2. TERMS OF THE OFFERING

The following summary of terms is qualified in its entirety by the detailed information appearing elsewhere in this Memorandum and the Fund's organizational documents.

Offering Parameter	Specification / Term
Issuer	[Fund Entity Name, e.g., USDPROP Ltd. / USDPROP LLC]
Security Type	Tokenized Digital Securities (USDPROP Tokens)
Blockchain Network	Polygon Mainnet (ERC-3643 Standard)
Token Contract Address	0x6F6c5Ab2865E028beDFEbabD86E046D73EAC5826
Base Stablecoin	USD Coin (USDC) (ERC-20, Contract: 0x2791Bca1f2de4661ED88A30C99A7a9449Aa84174 on Polygon)
Target Offering Size	[e.g., \$50,000,000 USDC]
Net Asset Value (NAV)	Determined regularly by the Fund Manager based on independent valuations. Updated on-chain via the NAVOracle contract.
Subscription Price	Equal to the current NAV per token (represented with 6 decimal places of precision, e.g., \$1.000000 = 1,000,000 units on-chain).

Offering Parameter	Specification / Term
Minimum Initial Investment	Configurable (e.g., 5,000 USDC) via the InvestmentManager contract.
Lock-up Period (Reg D)	365 days (LOCKUP_USA_SECONDS). Applied strictly to the wallet from the time of the first mint. Subsequent top-ups do not reset this timer.
Lock-up Period (Reg S)	40 days (LOCKUP_REGS_SECONDS). Applied to Non-US / LATAM investors from the time of their first mint.
Yield / Distributions	Pro-rata dividends distributed in USDC directly to investor wallets on Polygon via the DividendDistributor contract based on historical token balances.
Redemption / Rescues	Subject to lock-up expiration and available treasury liquidity. Redemptions require EIP-712 cryptographic consent.
Transfer Fees	[e.g., None, or 0.5% paid to Treasury for secondary transfers if applicable]
Management Fee	[e.g., 2% per annum, calculated and distributed to the Treasury account]

3. RISK FACTORS

An investment in the USDPROP Token involves significant risks. Prospective investors should carefully consider the following risk factors, in addition to other information contained in this Memorandum, before purchasing tokens.

A. Real Estate Investment Risks

- **Market Volatility and Economic Conditions:** Real estate values fluctuate due to economic trends, interest rates, local market supply and demand, inflation, and tenant default rates. There is no guarantee that the underlying properties will maintain their value or generate expected rental yields.
- **Liquidation Hurdles:** Real estate is an inherently illiquid asset class. Selling properties to meet redemption demands takes time, which may lead to delays in redeeming USDPROP Tokens.
- **Property Management Dependencies:** The performance of the Fund depends heavily on the competence and financial stability of the Fund Manager and property management operators.

B. Blockchain and Smart Contract Risks

- **Smart Contract Vulnerabilities:** Although the USDPROP smart contracts have undergone security audits (including internal regressions and external hardening fixes), they are software-based. Program bugs, code exploits, or zero-day vulnerabilities in the ERC-3643 implementation, [SafeMultisig](#), [NAVOracle](#), or [InvestmentManager](#) could result in a total loss of funds or unauthorized token minting.
- **Network Dependency (Polygon):** The Fund operates on the Polygon blockchain. Delays, high transaction fees (gas spikes), reorgs (forks), or network failures on Polygon could impact the ability of investors to trade, subscribe, receive dividends, or check their portfolios.

- **Private Key Security:** Investors are solely responsible for securing their web3 wallets (e.g., MetaMask, hardware wallets). If an investor loses their private keys or is victimized by phishing, their USDPROP tokens may become permanently inaccessible. (While the Administrator has the on-chain power to force-transfer or burn/re-mint tokens to assist hacked investors, this process requires operational KYC validation and manual administrative approval).

C. Stablecoin and Liquidity Risks

- **De-pegging Risk of USDC:** The Fund utilizes USD Coin (USDC) for subscriptions, redemptions, and dividend payouts. USDC is a centralized stablecoin backed by dollar reserves. If USDC experiences a regulatory shutdown, reserve failure, or loses its \$1.00 peg (de-pegging), the valuation and trading capacity of the Fund will be severely impacted.
- **Absence of a Public Secondary Market:** USDPROP tokens are not listed on public cryptocurrency exchanges. There is no active secondary trading venue. Secondary transfers are permitted only on a peer-to-peer basis between pre-cleared, KYC-compliant wallets subject to compliance module approval.

D. Regulatory, Securities, and Compliance Risks

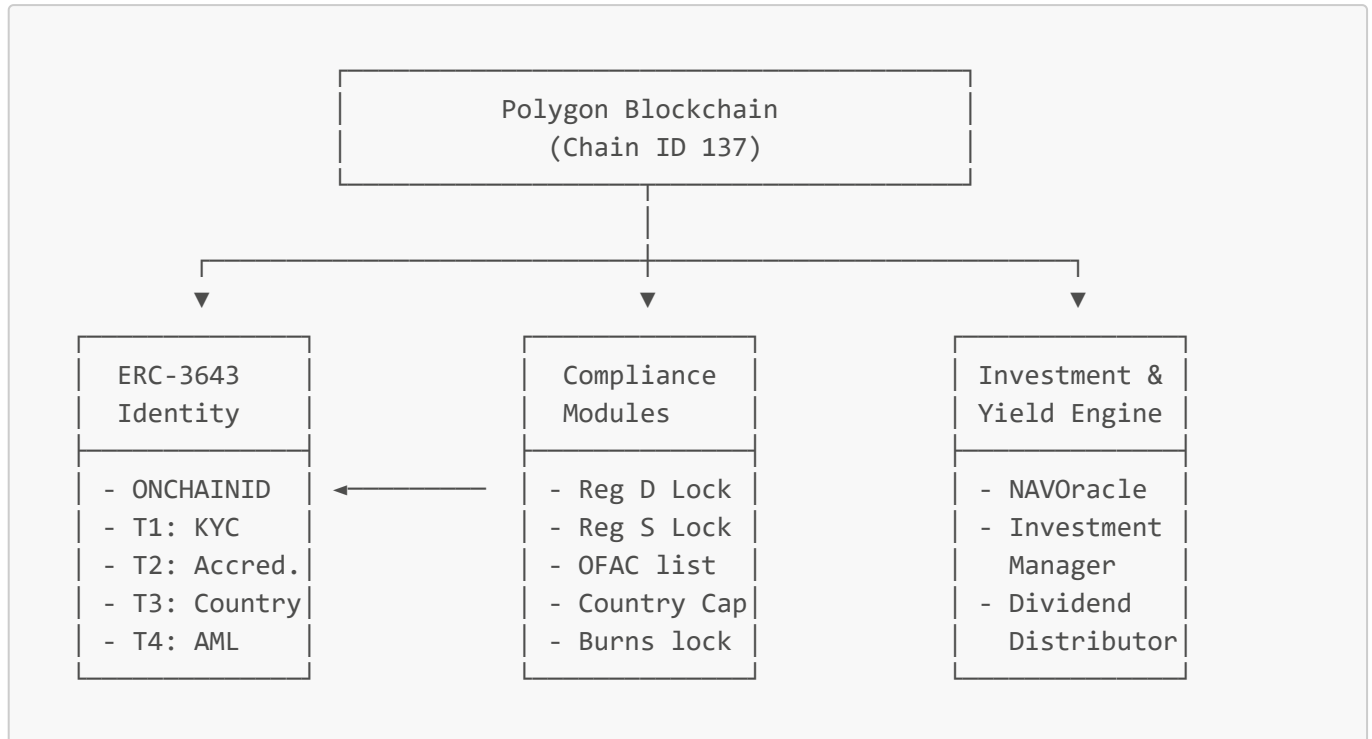
- **Changing Regulatory Environment:** Global regulations surrounding digital assets and tokenized securities are evolving rapidly. Changes in laws, SEC enforcement policies, or local regulatory actions in Latin American jurisdictions could force the Fund to restructure, pause operations, or redeem tokens prematurely.
- **Exemption Compliance (Reg D & Reg S):** The Fund relies on Rule 506(c) and Regulation S exemptions. If the SEC or a foreign regulator determines that the Fund failed to take "reasonable steps to verify" accredited status or allowed US persons to purchase under Reg S, the offering could be invalidated, resulting in civil penalties or a forced winding up of the Fund.
- **Accidental Regulatory Violations:** If an investor relocates to a sanctioned jurisdiction or transfers tokens in violation of local laws, the compliance module may freeze their assets on-chain to protect the Fund from regulatory non-compliance.

E. Protocol Specific Risks

- **NAV Oracle Drift and Exploits:** The token price for subscription/redemption is set on-chain via the `NAVOracle` contract. To prevent front-running, updates are capped at $\pm 10\%$ per transaction and $\pm 20\%$ cumulatively in 24 hours, with a mandatory 1-hour cooldown. However, if the external price feeds fail or are delayed beyond the `MAX_STALENESS` limit of 26 hours, the oracle will revert, temporarily halting all subscriptions and redemptions until a manual override (`setNAVEmergency`) is executed by the Safe Multisig.
- **Multisig Governance Centralization:** Critical system overrides (pausing the token, freezing wallets, updating parameters, modifying multisig owners) are controlled by a 2-of-3 `SafeMultisig`. If two of the keyholders lose their keys, collude maliciously, or are legally incapacitated, the entire protocol could be permanently locked or drained.

4. ON-CHAIN COMPLIANCE AND SMART CONTRACT MECHANICS

Compliance is not merely a legal promise; it is hardcoded on-chain within the smart contracts. Below is the technical architecture of how compliance rules are executed.



A. ERC-3643 Identity Registries

To interact with USDPROP, every investor wallet must be mapped to an **ONCHAINID** registered in the [IdentityRegistryStorage \(0xA017992Fddc1A65d6dD8b753E54cf5cA3E466201\)](#). The identity is validated on-chain by proving that the wallet holds valid cryptographic claims (signatures) issued by the authorized **Claim Issuer (0x656B7DDff86ce7aBE9E86A8bf97642d55B95a61a)**.

The required claim topics are:

- **Topic 1 (T1 - KYC_VERIFIED):** Confirms that the investor has passed the identity verification process.
- **Topic 2 (T2 - ACCREDITED_USA):** Mandatory for US-based investors to comply with Regulation D 506(c).
- **Topic 3 (T3 - ISO_COUNTRY_CODE):** Stores the investor's country of residence (represented numerically, e.g., [840](#) for United States, [32](#) for Argentina, [76](#) for Brazil).
- **Topic 4 (T4 - AML_CLEARED):** Verifies that the investor is not flagged on any Anti-Money Laundering (AML) or Politically Exposed Person (PEP) lists.
- **Topic 6 (T6 - NON_US_PERSON):** Mandatory for international/LATAM investors to comply with Regulation S.

B. Lock-up Enforcement

- **Initial Lock-up Lock:** When an investor subscribes for the first time, a timestamp is registered. The investor cannot transfer or redeem (burn) their tokens until the lock-up duration expires.
 - **Reg D (US):** 365 Days.
 - **Reg S (Non-US):** 40 Days.
- **Top-up Exemption:** Subsequent investments (top-ups) by the same investor do not reset the lock-up timer. The original lock-up expiration date remains active.

- **Burn Lock:** Unlike standard ERC-3643 tokens where lock-ups only apply to wallet-to-wallet transfers, the `USDPROPComplianceModule` enforces the lock-up rule on redemptions (**burns**) as well, preventing pre-mature exits.

C. Transaction Validation Rules (Secondary Transfers)

Any peer-to-peer transfer of USDPROP tokens triggers the `USDPROPComplianceModule` (`0x6A7863dF05D06956bfE8B7650f2c2983e214bDcc`) which automatically runs the following validations:

1. **KYC Validity:** Both the Sender and the Receiver must have active, unexpired T1, T3, and T4 claims.
2. **Lock-up Expiration:** The Sender's lock-up timer must have expired.
3. **Jurisdiction Check:**
 - **USA to LATAM:** Blocked. USD-sourced capital under Reg D cannot be freely sold to Reg S buyers on-chain.
 - **LATAM to USA:** Allowed only if the US buyer holds the **T2 (Accredited US)** claim.
 - **Sanctioned Countries:** Blocked based on country blacklist parameters.
4. **Country Caps:** Each country code has a configurable investment limit. A transfer cannot exceed the total capital allowance assigned to the buyer's country of residence.
5. **Investor Cap limits:** To maintain regulatory exemptions (e.g., maintaining limits on non-accredited or total foreign investors), the system actively tracks and caps the maximum number of unique token holders per country.

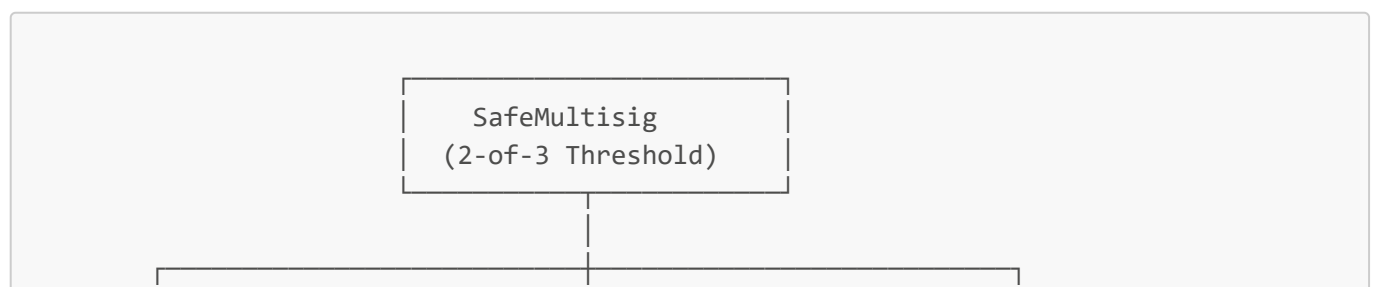
D. EIP-712 Cryptographic Consent

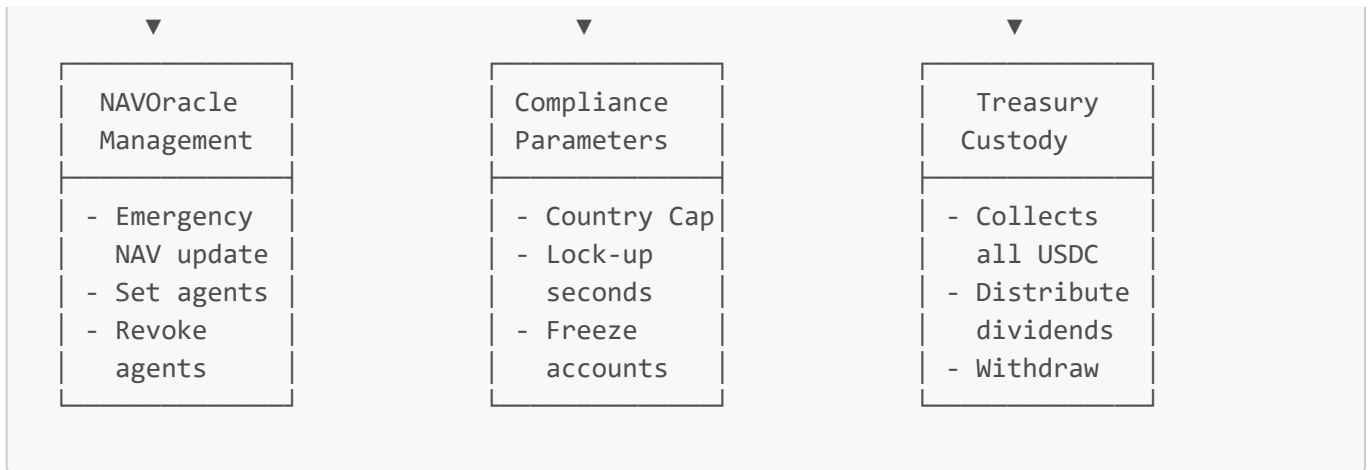
To prevent transaction malleability and protect investors from front-running or unauthorized execution, all subscription and redemption operations are processed via the `InvestmentManager` (`0xe901ef0395850A217b19F2cc0819527ae4D2949f`) using EIP-712 standard typed signatures.

- The investor signs a message stating: *"I authorize the investment of X USDC for a minimum of Y USDPROP tokens before deadline Z."*
- The transaction is submitted to the blockchain by the Fund's designated Execution Agent (`EXECUTION_AGENT_PRIVATE_KEY`). The smart contract recovers the signature and verifies it against the investor's wallet.
- Legacy direct transaction paths (`invest()` / `redeem()`) are permanently disabled (`legacyPathsEnabled = false`) to ensure cryptographic proof of consent is recorded for every transaction.

5. GOVERNANCE AND SAFE MULTISIG CONTROLS

The operational risk of administration is mitigated by a strict separation of roles and multi-signature authorization.





A. The Safe Governance Vault

The **Safe Governance Vault** (`0xe1f7615962BcFEE1C9992A2c501702130835f92c`) acts as the ultimate owner of all smart contracts. It is structured as a 2-of-3 threshold multi-signature contract.

- **Privileges:** Only the **SafeMultisig** can upgrade smart contract code (UUPS proxy upgrades), change the fee collector addresses, adjust lock-up durations, override the NAV Oracle during market disruptions, and withdraw custody funds from the treasury.
- **Transaction Expiry:** Any proposal submitted to the Safe must be signed and executed within **7 days** (`TRANSACTION_EXPIRY`). Expired transactions are invalid.
- **Configuration Nonce (`configNonce`):** To prevent execution of stale proposals, any change to the multisig members (adding/removing owners) or threshold adjustments automatically increases the `configNonce`, immediately invalidating all pending, unexecuted proposals.
- **Operational Checks:** The `proposeRemoveOwner` function strictly verifies that removing an owner will not cause the remaining active owners to drop below the threshold (preventing deadlocks).

B. Emergency Admin Powers

In the event of a security breach, regulatory demand, or key compromise, the following tools are available to the Fund via the **Safe** and operational agents:

1. **Global Pause:** The token compliance module can be paused. This freezes all minting, burning, and transfers of USDPROP globally.
2. **Wallet Freezing:** Individual wallets can be frozen (`setAddressFrozen`) to block illicit transactions or freeze assets in the event of an AML alert.
3. **Oracle Overrides:** If the NAV Agent's key is compromised, the **Safe** can call `setNAVEmergency` to force-correct the NAV price, which bypasses the $\pm 10\%$ caps and the 1-hour cooldown.

6. INVESTOR SUITABILITY AND SUBSCRIPTION PROCEDURES

A. Suitability Standards

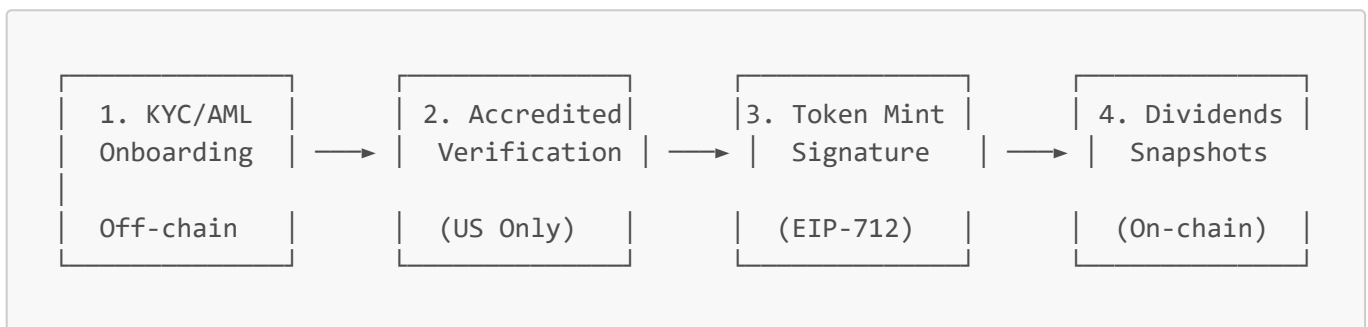
Each prospective investor must represent and warrant that they meet the relevant suitability standards.

- **US Investors:** Must be an "Accredited Investor" under Rule 501(a) of Regulation D. General qualification criteria include:

- An individual with a net worth (alone or jointly with a spouse) exceeding \$1,000,000 (excluding primary residence).
- An individual with an annual income exceeding \$200,000 (or \$300,000 jointly with a spouse) in each of the two most recent years, with a reasonable expectation of reaching the same level in the current year.
- An entity in which all equity owners are accredited investors.
- **International Investors:** Must be a "Non-U.S. Person" under Regulation S. This includes individuals residing outside the United States who are not US citizens or green card holders, and entities formed under the laws of a foreign country with their principal place of business outside the United States.

B. Subscription Workflow

To purchase USDPROP tokens, an eligible investor must complete the following steps:



1. **Identity Verification:** Submit identification documents (Passport/ID, Proof of Address) to the Fund's KYC Provider.
2. **Accreditation Verification (US Only):** Provide proof of accredited status (e.g., asset verification or third-party letter) to the verification agent.
3. **On-Chain Registry:** Upon successful off-chain clearance, the KYC Admin registers the investor's wallet address and issues the corresponding claims (T1, T3, T4, and T2 or T6) to the blockchain.
4. **Deposit Stablecoin:** Approve the [InvestmentManager](#) to access the required USDC amount from the investor's MetaMask wallet.
5. **Sign Order:** Sign the EIP-712 order on the Investor DApp. The execution agent triggers the on-chain minting of USDPROP tokens to the investor's wallet at the active NAV price.

7. LEGAL AND TAX DISCLOSURES

A. Forward-Looking Statements

This Memorandum contains forward-looking statements, including projections, plans, and forecasts. These statements are subject to significant risks, uncertainties, and changes in economic or market conditions. Actual results may differ materially from those projected. Investors are cautioned not to place undue reliance on these statements.

B. Tax Considerations

- **Taxation of Dividends:** Payouts from the [DividendDistributor](#) may be subject to income tax or withholding taxes depending on the investor's country of residence.
- **Capital Gains:** Gains realized upon the redemption or secondary sale of USDPROP tokens may trigger taxable events.

- **No Tax Advice:** Investors must consult their own tax advisors regarding the tax consequences of an investment in USDPROP tokens under the laws of their respective jurisdictions.
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THE MANAGER OF THE FUND: [Name of Fund Manager Entity / General Partner] [Contact Information / Address] [Email / Support Website]

TECHNICAL CUSTODIAN & OPERATOR: Governance Address (Safe):

`0xe1f7615962BcFEE1C9992A2c501702130835f92c` Smart Contract Suite Audit Status: Approved and Hardened on Polygon Mainnet.