RESOLUTE

RESOLUTE.FUND

REAL ESTATE FOR THE DIGITAL AGE

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INTRODUCTION

RESOLUTE.FUND is a diversified U.S. real estate fund, managed by experienced professionals, with digital, liquid shares.

OFFERING

Resolute.Fund is raising capital from accredited U.S. investors under SEC Regulation D, and sophisticated international investors under SEC Regulation S, for one of the world's first U.S. real estate funds with digital shares.

INVESTMENT

Positioned for the upside, poised for the downside

Resolute.Fund will invest in a **diversified portfolio** of multi-family properties and distressed mortgage debt across the U.S., targeting a net IRR of 16-18%.

Differentiating factor - Distressed mortgage debt historically produces above average returns, with the security of owning the most senior loan on the property.

EXPERIENCED TEAM

Our team has **30 years average experience** and a deep pipeline of investments. Collectively, the Resolute.Fund team members have invested in more than 100 properties across the United States, with a value of more than $1 billion.

LIQUID SHARE CLASS USING BLOCKCHAIN TECHNOLOGY

We are creating a **digital share class** that represents a limited partner share in our fund.

Shareholders will be able to **trade** the digital shares on SEC regulated exchanges and peer to peer on-demand.

Thus, we introduce **liquidity** and give control to our investors, and this flexibility unlocks **value**.

OUR PHILOSOPHY

- A diversified portfolio of real estate managed by professionals will lead to optimal risk-adjusted returns
- A liquid share class gives control to the investor, and freedom to the manager
- Value is created for our investors by combining these tw

Resolute.Fund Summary

Resolute.Fund is raising capital from accredited U.S. investors (under SEC Regulation D) and sophisticated international investors (under SEC Regulation S), for digital shares of a U.S. real estate fund. The goal of the fund is to produce maximum risk-adjusted annual returns on assets under management.

Resolute.Fund will invest in multi-family housing properties as well as distressed mortgage loans across the United States. The multi-family assets that the Fund will invest in are income-producing, institutional-quality real estate that need renovation or redevelopment. The Fund plans to improve the real estate, refinance the equity, and reinvest the proceeds into additional properties. The distressed mortgage loans will be senior mortgage loans on residential or commercial real estate where the borrower has failed to make payments or are selling at distressed prices for other reasons. The Fund will seek to acquire the loans at discounted prices to principal balance, manage the loans, and, after restructuring of the loan or foreclosure, exit at or close to full loan value via refinancing, resale of loan, or sale of underlying property.

Fund Terms

Investment Type:	• Value-add Class A multifamily real estate • Distressed mortgage debt
Geography:	USA
Deal Leverage:	Up to 66% LTV
Investment Allocation:	• Multifamily: 50% • Distressed Debt: 50%
Target Net Yield:	6 to 8% per annum
Target IRR:	16-18%
Target Size:	USD 100,000,000 or more
Term:	5 Years (with option to extend)
Investment Term:	36 months
Fund Currency:	USD
Minimum Investment:	USD 50,000
Income Distribution:	Quarterly
Distribution Currencies:	USD, EUR, Ethereum or other fiat or cryptocurrencies in the Fund's discretion
Net Asset Value Publication:	Quarterly
Management Fees:	2.0% per annum

Performance Fees:	20%; Additional allocation of 10% of total offering of digital securities to general partners with a one year lockup; additional allocation of 10% of total offering for platform development, partners, employees and advisers with a one year lockup.
Domicile:	Delaware
Legal:	McCarter & English, LLP
Audit:	To be determined

FEES AND EXPENSES

The fund may incur set-up expenses of up to 1% of capital raised, and, in addition to annual Management Fees stated above, may incur other Administration expenses estimated of up to 0.2%, including a Digital Offering Ongoing Expense of $5,000/month. At the investment level, the fund may incur other fees as follows: acquisition fees, management fees, broker fees. The fund will strive to minimize these fees as much as possible in order to maximize its return on capital to investors.

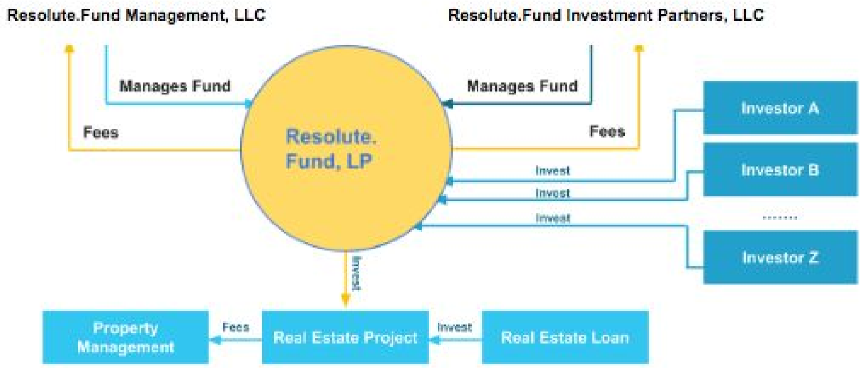
INITIAL INVESTMENT

The first property the Fund intends to acquire has been identified. This property is located at 162-164 East 82nd St. on the Upper East Side of New York City. Additional information about this property can be found in the **Real Estate Investments** section of this white paper. A full analysis of this acquisition can be found in the **Supplementary Materials** section of this white paper.

The Fund's offices are located at 595 Madison Ave., Suite 1101, NY, NY 10022.

FUND STRUCTURE

A diagram of the Fund's structure can be seen below.



THE REAL ESTATE INVESTMENTS

Our differentiating factor - Positioned for the upside, poised for the downside

Resolute.Fund will invest in:

1) Undervalued multifamily properties
2) Distressed mortgage debt

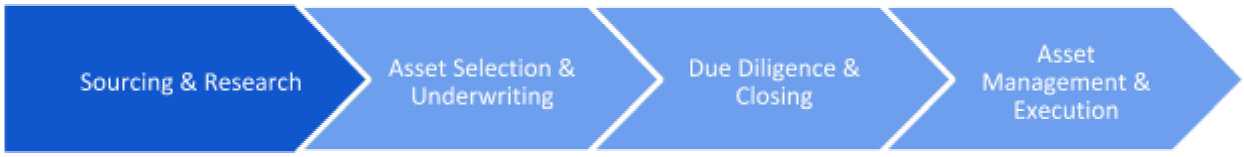
The first multi-family property Resolute.Fund intends to acquire has been identified. This property is located at 162-164 East 82nd St. on the Upper East Side of New York City. We intend to purchase this property from the proceeds of the offering for $23 million, with approximately $11 million of equity and $12 million debt. The full report for this Property can be found in the **Supplementary Materials** section of this white paper.

We target a return of approximately 10-12% for our multifamily investments, and, 25-30% for our mortgage debt investments (unlevered).

1) MULTIFAMILY INVESTMENT PROCESS

With the objective of acquiring institutional quality multifamily buildings in need of renovation or redevelopment, we intend to conduct an extensive and disciplined due diligence process to achieve our goals, which we describe below.

Deal Sourcing & Research



The first step begins with a macro view and utilizes our in-house top-down model to identify supply and demand drivers across markets. We then combine the top-down view with extensive ground-up feedback from our local team so that we can derive a target deal profile. Using broad industry contacts and our partner network, we source and evaluate a large number of potential acquisition candidates. We simultaneously maintain direct dialogue with both equity and debt owners to maximize sourcing opportunities.

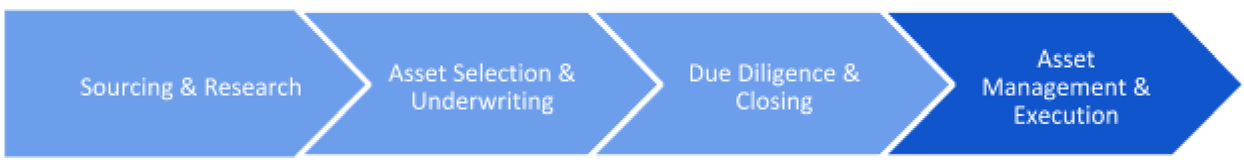
Asset Selection & Underwriting

We combine the local knowledge of our research and investment team with rigorous underwriting procedures to effectively and consistently evaluate each target acquisition for the risks and opportunities it presents. There is a focus on understanding the competitive set and the threats posed to the long-term positioning of the property's location within the submarket. We also work with our local partners to gain a clear understanding of the property's tenancy, strengths, weaknesses and interdependencies. An extensive amount of data is collected and analyzed on lease comps, sales comps, expenses, new supply, and expected capital requirements. From a large pipeline of opportunities, only those with the best return profile, partner fit and exit strategy are selected.

Due Diligence & Closing

We typically oversee and approve all legal documentation, financing decisions and diligence procedures while engaging operating partners to help augment the process. We and our local team work together to ensure that all diligence requirements are met, including thorough physical, environmental, lease and financial reviews. Our asset management team gets involved early during the acquisition process to ensure a consistent strategic direction upon closing.

Asset Management & Execution



After the property closing, we maintain strategic oversight and control of all asset-level decisions. Our asset managers collaborate to execute on both near-term and long-term business plan goals, whether they be renovation, repositioning or other strategy. The asset managers monitor the asset's performance with a view to achieving the highest level of execution. During the hold period, we periodically evaluate the market to determine if there are any necessary adjustments to the original strategy. At the same time, all participants are regularly surveying the investment sales market to identify the optimal disposition timing.

Multifamily Track Record

Property Address	Type	Value	Gross Income	Expenses	Debt Service	Total Exp	NOI
595 Central Avenue, East Orange NJ	Office & Retail, 30,000 SF	$1,200,000	$199,384	$91,677	$43,500	$135,177	$64,207
785 Flushing Avenue, Brooklyn NY	Office & Retail, 135,000 SF	$65,000,000	$4,337,192	$816,591	$1,719,268	$2,535,859	$1,801,333
289 East 53 Street, Brooklyn NY	Mixed Use, 16,000 SF	$4,650,000	$404,991	$61,905	$124,891	$186,796	$218,195
20 Graham Avenue, Brooklyn NY*	Mixed Use, 6,000 SF	$2,500,000	$180,000	$30,000	$30,000	$60,000	$120,000
345 Warren Street, Brooklyn NY*	4 Family, Boerum Hill	$3,500,000	$231,600	$36,000	$111,122	$147,122	$84,478
162-17 Jamaica Avenue, Queens NY	Retail, 27,700 SF	$16,000,000	$1,272,310	$94,920	$253,841	$348,761	$923,549
127 Schaefer Street, Brooklyn NY	6 Unit, 4,200 SF; under renovation	$2,500,000					
1201 Saint Johns Place, Brooklyn NY	8 units, 6,000 SF; under renovation	$2,800,000					
1719 Highway 35, Ocean NJ	Commercial	$1,000,000	$39,600	$20,627	$46,969	$67,596	($27,996)
71 Brighton Long Branch, NJ	2,700 SF, Commercial	$800,000	$75,741	$14,725	$14,795	$29,520	$46,221
404-408 Avenue S, Brooklyn NY	Two Family, Rental	$4,000,000	$1,000,000	$159,000	$41,807	$60,000	$57,193
1721 Chestnut Street, Philadelphia PA	Retail, NNN to American Outfitters	$4,400,000	$605,800	$275,000	$0	$174,564	$100,436
5124 Clarendon Road, Brooklyn	Mixed Use	$1,200,000	$108,550	$91,774	$31,437	$34,378	$25,959
913 Broadway, Brooklyn NY	Mixed Use	$2,300,000	$0	$159,600	$30,858	$0	$128,742
835 Broadway, & 13-15 Park St Brooklyn NY	Mixed Use	$5,000,000	$0	$107,077	$28,500	$0	$78,577
78 Graham Avenue, Brooklyn NY	Mixed Use	$3,500,000	$800,000	$291,448	$106,811	$112,812	$71,825
67 Fenimore Street, Brooklyn NY	Mixed Use	$3,000,000	$450,000	$289,413	$112,100	$101,571	$75,742
1-9 Putnam Avenue, Brooklyn NY	Retail, plus 35,200 SF as of right	$3,500,000	$120,000	$86,340	$18,246	$34,904	$33,190
160-15 Jamaica Avenue, Queens NY	Retail	$3,000,000	$375,000	$350,000	$120,000	$91,034	$138,966
162-11 Jamaica Avenue, Queens NY	Retail, plus 106,000 SF as of right	$16,000,000	$623,700	$1,272,310	$94,920	$253,841	$923,549
2136 East 3rd, Brooklyn NY	Two Family, Investment Property 3,300 SF	$1,400,000	$398,227	$60,000	$19,120	$70,028	($29,148)
		$147,250,000					

*See Appendix for additional multifamily investment Track Record information.

2) DISTRESSED MORTGAGE LOANS INVESTMENT PROCESS

We are unique in the market in that 50% of our portfolio will be invested in non-performing mortgage loans. These investments have historically provided above average returns, with the security of holding the most senior position in the capital stack.

Members of the Fund's mortgage debt investment team have been acquiring and managing distressed mortgage loans for more than a decade, having underwritten more than $1 billion and invested in more than $500 million. In total, the team has more than 25 years' aggregate experience in mortgage acquisitions overall. Our team is comprised of highly accomplished real estate and finance professionals with a specialized experience in acquiring and servicing mortgage loans dating back to the Resolution Trust Corporation days of the late 1980s.

Investment Thesis

The investment team intends to acquire distressed mortgages at discount prices from financial institutions (banks, government sponsored entities, etc.).

We will focus on acquiring mortgages of $1-15MM in size and in first lien (senior) position.

We manage and monetize these mortgage assets employing various methods including the following, singularly or in combination: loan modification, foreclosures with sales to third parties, refinancing and deficiency judgments.

Our Advantage: Focused Strategy & Established Network

Over the past 25 years, the mortgage debt investment team has established a wide network of relationships that has resulted in a deep deal sourcing network leading to opportunities for investment in both commercial and residential mortgages across the country.

The team's geographic focus is primarily in secondary and tertiary markets.

Investments will be focused on loans generally deemed too small for institutions; generally in the range of $1-15 million, although larger pools of smaller sized loans will also be considered for investment. This strategy of focusing on smaller sized loans reduces the competition with other institutional capital - we are rarely competing with institutional capital for the same loans.

One of the key factors contributing to returns on investment is a strong focus on setting the appropriate price of the loans we target for acquisition. Our planned investment strategy is to acquire loans at prices that are at a significant discount to the loan's Unpaid Principal Balance ("UPB"). Comprehensive underwriting of the asset is undertaken to determine its true value - helping to determine the bid price for the loan. Due to our strong reputation and longstanding relationship network, we believe that one of our key advantages is the ability to acquire loans at favorable prices compared to other market participants.

Once a loan is acquired, we focus on working with the borrower to begin to make regular interest payments. Our experience of more than 20 years servicing loans and with certain members of our team having run their own mortgage servicing businesses and performed these services at larger financial institutions, allows us to perform these same services now in-house, and effectively. Loan modification to enable the borrower to make interest payments to bring the loan to 'performing' status is one strategy we employ, and generally the strategy we lead with after acquiring loans. Our modification program is designed to help borrowers make mortgage payments by offering interest rate reductions and payment plans as well as loan term extensions. After loan modification, we expect to season cashflowing assets for approximately 12-18 months in order to reestablish performance and extract maximum value prior to liquidation. But, if expected higher returns can be achieved prior, we will look to exit. When working with borrowers is not an option, and when necessary, we will proceed with foreclosure.

A second key factor that contributes to returns is preparing multiple exit strategies for each investment, for example: exit via refinancing the loan, resale of loan to a third party, or an asset sale.

In general, our investment thesis is one in which we are not long-term holders of loans for income; our focus is to exit the investment as soon as viable to achieve a competitive return on investment.

U.S. Commercial Real Estate Loan Market - 2018

U.S. Banks' commercial real estate (CRE) lending has reached "record levels". Banks with the highest concentration of CRE loans (300% of risk-based capital in CRE) have less than $50 billion in assets and most have assets below $10 billion.

These smaller banks hold $1.2 trillion of CRE loans and have varying degrees of risk management expertise. They are required to hold capital of 2.5x unpaid mortgage loans balances on their balance sheets, hampering their ability to lend. Therefore, these small-mid-sized banks will reduce their exposure to these loans by selling them.

In the segment of the market that our team focuses there is ample supply, with more than $2 billion of distressed mortgage loans analyzed by our team in 2018 to date.

Mortgage Debt Managers Track Record - Distressed Mortgage Loans

Deal	Entry Date	Exit Date	Unpaid Principal Balance	Investment Amount	Proceeds	Multiple	IRR	Exit Status	# of Years Held
1	3/2008	3/1/2013	2,345,000	867,650	1,223,200	1.4x	**8.1%**	Realized	5
2	6/2008	6/1/2011	5,900,000	1,888,88	5,500,000	2.9x	**41.5%**	Realized	3
3	6/2008	6/1/2012	228,781	52,619	282,549	5.4x	**64.6%**	Realized	4
4	6/2008	6/1/2012	100,000	23,000	120,000	5.2x	**49.9%**	Realized	4
5	6/2008	6/1/2012	1,017,750	234,082	777,276	3.3x	**39.9%**	Realized	4
6	6/2008	12/1/2009	125,795	28,932	75,795	2.6x	**83.9%**	Realized	1.5
7	6/2008	6/1/2012	635,858	146,247	783,304	5.4x	**55.6%**	Realized	4
8	6/2008	6/1/2013	1,470,900	338,307	1,866,495	5.5x	**51.8%**	Realized	5
9	6/2008	6/1/2012	1,676,034	385,487	1,488,815	3.9x	**48.0%**	Realized	4
10	6/2008	8/1/2008	917,160	210,946	596,164	2.8x	**100.00%+**	Realized	0.2
11	9/2008	12/1/2010	259,446	59,672	212,980	3.6x	**92.2%**	Realized	2.7
12	12/2008	12/1/2011	8,539,085	2,732,507	4,350,000	1.6x	**16.3%**	Realized	3
13	2/2011	4/1/2013	7,500,000	2,285,000	3,500,000	1.5x	**21.7%**	Realized	2.2
14	7/2011	5/1/2013	36,000,000	1,800,000	3,500,000	1.9x	**43.7%**	Realized	1.9
15	6/2013	5/1/2017	9,500,000	1,300,000	8,000,000	6.2x	**100.0%+**	Realized	2
16	8/2015	3/1/2017	8,500,000	2,300,000	4,200,000	1.8x	**46.3%**	Realized	1.5
17	8/2015	Unrealized	3,800,000	2,770,000	720,200	1.5x	**17.5%**	Unrealized	
18	9/2015	4/1/2017	6,000,000	1,800,000	2,885,000	1.6x	**37.1%**	Realized	1.5
19	9/2015	Unrealized	2,700,000	925,000	227,396	2.3x	**52.7%**	Unrealized	
20	12/2015	8/1/2017	1,850,000	1,690,000	2,050,000	1.2x	**12.3%**	Realized	1.7
21	6/2017	Unrealized	1,500,000	875,000	70,000	1.5x	**40.5%**	Unrealized	
				$22,713,033	**$42,429,174**				

*See Appendix for additional distressed mortgage loan investment Track Record information.

TEAM

Ruben Azrak, Chairman and Co-Founder. Mr. Azrak, who will head our multifamily investments, is an experienced New York City-based real estate investor, entrepreneur and angel investor. Mr. Azrak has been an active real estate investor since the 1970's, during which he has amassed an impressive real estate portfolio worth over $200 million, including many properties in New York City, making him one of the largest landlords in Brooklyn. He co-founded Phat Farm,[1] and urban clothing line, with hip hop legend and entrepreneur, Russell Simmons in 1992 and exited in 2004 for $140 million. Additionally, Mr. Azrak is an experienced angel investor, having invested in over 150 companies, including several unicorn startups such as Dropbox and Hotel Tonight.

Andy Strott, Co-Founder. Mr. Strott, who will head our mortgage investments team, has worked as an executive with some of the largest fund managers in the United States – BlackRock, Alliance Bernstein and MFS Investment Management. He has worked in two different European countries, Luxembourg and Spain. Mr. Strott has structured real estate funds and joint venture opportunities as well as performed underwriting for more than $5 billion in new development, multi-family redevelopment, non-performing loans, bridge and mezzanine financing. Mr. Strott has also served as an advisor to technology startups, and developed the first of its kind cross-border commercial real estate listing portal for Chinese investors in collaboration with Fang.com, the largest real estate website in China. Mr. Strott received his Masters in Business Administration from Columbia Business School.

Jennifer Powers, Head of Acquisitions. Ms. Powers received her Masters in Real Estate from the Johns Hopkins University Carey Business School. She previously worked at KBS Realty Advisors, during which she personally underwrote nine hundred million Dollars' worth of completed acquisitions for a large institutional real estate investor. In this role, she was responsible for industrial, office and residential development. Ms. Powers also served as Vice President of New Boston Fund, Inc., in Arlington, VA, where she focused on acquiring office, multi-family and industrial opportunities, with a concentration on value-added investments, including the Urban Strategy America Fund.

[1] https://www.phatfarm.com/

Additional professional experience includes positions at Lowe Enterprises Real Estate Group, Inc., Kennedy Associates Real Estate Counsel, Inc., and Barrueta & Associates.

John Lydon, Managing Director. Mr. Lydon has been a senior executive in the mortgage industry since 1990, having founded and led his own mortgage acquisition and service company, Diversified Funding Inc. from 1990 - 2001, and Resolution Consultants, LLC from 2001 to present. He has transacted in all phases and types of lending - from A paper to non-conforming lending. Mr. Lydon has reviewed and analyzed loan tranches and pools for major commercial banks and acquired mortgage loans on behalf of individuals, family offices and institutions during the course of the past decade.

Jing Yu, Director. Ms. Yu has extensive accounting experience, having performed financial statement audit and tax analysis for private equity and hedge funds. She has served leading financial institutions across the world, including HSBC China, China Bank of Communications, BDO London and RSM New York. Ms. Yu serves on the advisory board of a blockchain based Carbon Credit Token trading platform in China and also works with a global blockchain company focused on equal education and opportunity for women. Ms. Yu is a member of our accounting and investor relations team. Ms. Yu holds a Masters of Science Degree in International Accounting and Finance from Cass Business School, City University of London. Ms. Yu is bilingual in Chinese and English.

Ron DeChambeau, Vice President. Mr. DeChambeau serves as a Senior Loan Officer for Diversified Funding, a mortgage acquisition and service company. Mr. DeChambeau identifies underlying value in pools of troubled assets from national lending institutions, and formulates bids for mortgage loan acquisitions. He also derives exit strategies to maximize ROI for investors for each transaction. Mr. DeChambeau's additional duties include compiling and assembling analysis on loan valuation and cash flow for prospective bid prices to determine acquisition thresholds. He also assists in servicing portfolios and creating monthly investment reports to investor partners. Mr. DeChambeau is a graduate of Evangel University in Springfield, Missouri.

Koby Isik, Vice President. Mr. Isik is a global private equity consultancy expert with experience at major multinationals such as KPMG and EATON. He has led cross-border real estate and private equity transactions of multiple size and scope. Mr. Isik is multilingual, fluent in five languages. Mr. Isik is a member of our due diligence and investor relations team. Mr. Isik graduated from the International Business School at Saxion University, The Netherlands.

ADVISORS

Carlos Domingo. Carlos is a senior executive, entrepreneur and investor. He is currently Founder and Managing Partner of SPiCE VC, a tokenized venture capital fund, and also Co-Founder and CEO of Securitize, an end-to-end platform for issuers who are seeking to tokenize assets. He was the President and CEO of Telefonica R&D, and CEO of New Business and Innovation at Telefonica Digital, as well as co-founder and board member of Wayra, one of the world's largest corporate accelerators. He has been CTO and CEO or board member of multiple tech startups. On the investment side, he is the founder of Sling Ventures, an angel investment fund co-invested by the European Invested Bank, one of the founders of Dubai Angel Investors and a Venture partner in THCAP VC, and he managed the corporate VC of Telefonica Digital. Carlos was also one of the leaders of open source project Firefox OS.

Additional investors and advisors will be announced soon.

How The RESOLUTE Digital Security Works

Resolute.Fund will issue digital securities to investors, and will use the proceeds to invest in U.S. multi-family properties and distressed mortgage debt, with the goal of achieving maximum risk-adjusted returns on capital for investors.

A digital security is a digital representation of a financial security, in our case, a real estate fund. The digital security is backed by a legal investment contract, which is digital proof of an investor's limited partner ownership of the fund. The **RESOLUTE** digital security is fully compliant and is subject to federal security regulations.

Resolute.Fund has partnered with Securitize, the leading compliance platform for issuing digital securities to create the ERC-20 compliant digital security on the Ethereum blockchain.

The **RESOLUTE** digital security aims to pay regular dividends to investors, which are earned from the fund's real estate investments. Upon exits from investments, a portion of the profits will be reinvested into additional real estate investments.

Some of the **benefits** of the **RESOLUTE** digital security are:

LIQUIDITY

Access to global markets 24/7/365

COMPLIANCE

Built-in global regulatory compliance coded into the digital security

FRACTIONAL OWNERSHIP

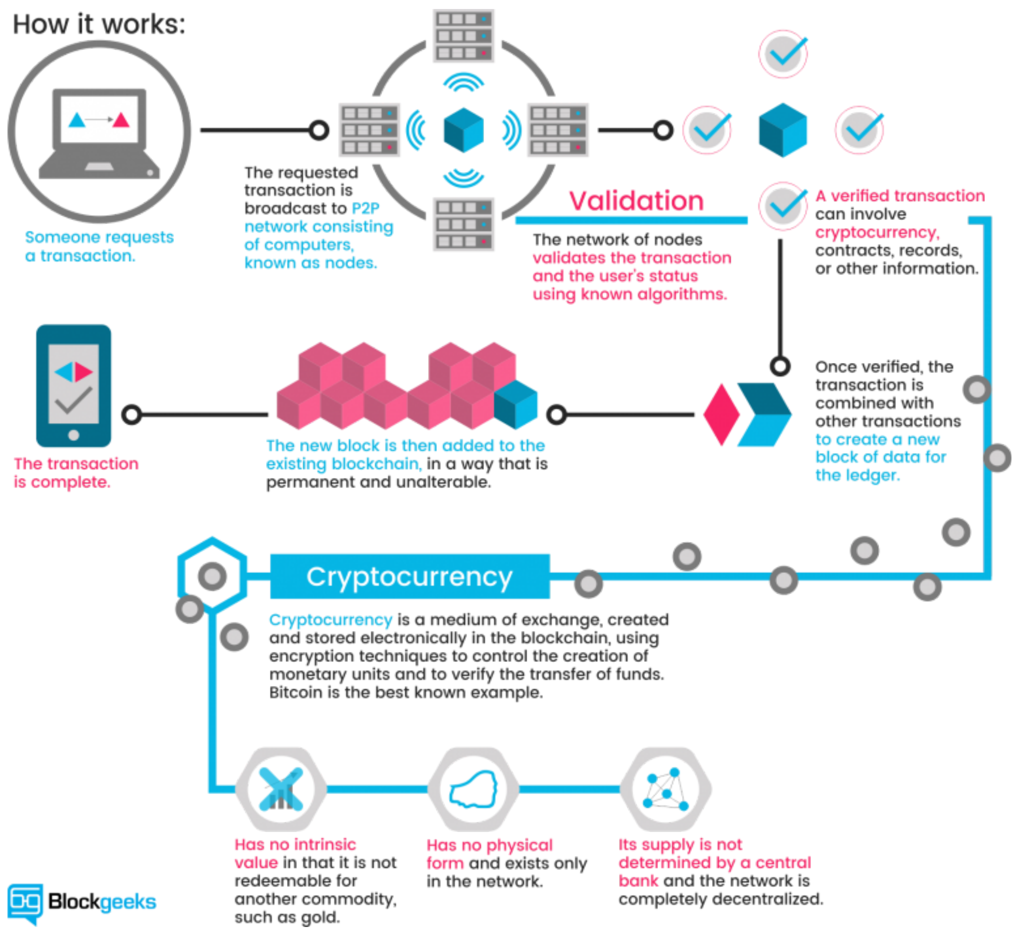
Allowing smaller denominations of investments, thus, a wider investor base

TRANSPARENT AND IMMUTABLE

Providing more direct and certain ownership to investors

DIGITAL SECURITIES AND BLOCKCHAIN

Digital securities utilize blockchain technology. Blockchain is a digital ledger that is programmed to record transactions between parties. The records on a blockchain are secured by cryptography. Digital securities are instances of a smart contract running on a decentralized blockchain. A smart contract is a self-executing contract with the terms of the agreement between buyer and seller being directly written into lines of code. Smart contracts are able to perform certain actions in a compliant, automated and seamless manner. The RESOLUTE digital security is being created on the Ethereum blockchain as ERC-20 compliant.



SECURITY

It is important to understand the matter of security when it comes to investing in digital securities. Digital Securities are different from regular Crypto tokens because they are centralized around the issuer. The issuer (Resolute.Fund in this case) has full control over the digital securities. The issuer has the ability to retract digital securities, reissue them or burn them (destroy them forever). In addition, our partner, Securitize, uses a specific protocol that controls the the transfer of and who can own the digital securities. These two items make it so they can't be transferred between unknown parties (all transfers are logged). For example, if a wallet private key is by chance stolen, we can burn the digital securities and reissue them to the correct person. The safekeeping of the digital securities once owned is paramount to Resolute.Fund and our partners. Issuer control and Securitize's security protocol combine to provide as much protection of digital securities as possible once issued.

This entire investment process will be done globally, automatically, and on-chain, and will greatly reduce the operating and reporting costs for Resolute.Fund.

REGULATORY COMPLIANT DIGITAL SECURITY

Because the RESOLUTE digital security represents a share in a real estate fund, it is deemed a financial security. The Fund will therefore be subject to securities laws in the United States and other jurisdictions where its digital security is offered for sale. The Fund will only sell the digital securities to "accredited investors," as such term is defined under Rule 501(a) of Regulation D promulgated under the Securities Act of 1933, as amended (the "Securities Act"), or non-U.S. Persons who are not purchasing for the account or benefit of a U.S. Person, as defined under Regulation S under the Securities Act.

RESOLUTE digital securities will have an initial value of 1 to 1 USD. The number of digital securities created will equal the Dollar amount raised, rounded down to the nearest whole Dollar. If $20 million in capital is raised, then 20 million digital securities will be created. RESOLUTE digital securities are divisible into 0.1, 0.01, and 0.001. They are divisible into subunits solely for investors' convenience.

The Fund may periodically buy RESOLUTE digital securities on the exchange(s) upon which they are traded (if any)[2] if the spot price of the digital security falls below 75% of the Fund's net asset value per digital security ("NAVPDS") for the most recent quarter. For example, if the Fund's NAVPDS for the most recent quarter is $1.25 and the spot price of the digital security is $0.925, the Fund may elect to buy back some digital securities on the open market as capital is available to do do. This will effectively reduce the supply of digital securities outstanding and is expected to support the price of the digital security.

The Fund believes buying digital securities on the open market in cases such as these, is prudent capital management. The Fund will not mandate that it holds a cash balance for this purpose as it believes it may have a negative effect on the performance of the overall portfolio. But will rather selectively use cash when available for this purpose. For the purposes of this white paper, the Fund defines Net Asset Value Per Digital Security as [[(multifamily assets operating income / cap rate) – debt] + value of mortgage loans[3]] / (number of digital securities in existence).[4]

[2] https://ethereum.stackexchange.com/questions/16188/best-way-to-burn-ethers-and-other-ethereum-tokens

LIQUIDITY

Most real estate fund partnerships have terms of seven years or more, a long-term relationship in which investors generally have a very limited ability to exit or access their capital. For that reason, real estate funds are commonly dominated by large investors, who have long investments time horizons, while smaller investors, who usually have a greater need for liquidity, are left out.

In addition, traditional real estate funds usually have high minimum investment requirements, again precluding some investors from participating. A real estate fund with digital shares, like Resolute.Fund, offers low denominations and potential secondary market liquidity, making the opportunity to participate in a diversified real estate fund appealing to a much wider audience.

We believe that offering digital securities for real estate funds, thereby making them more liquid, accessible and inclusive (within regulatory frameworks), will transform the industry by attracting more capital to this asset class.

Fund liquidity

We anticipate that Resolute.Fund investors will have four ways to realize liquidity from their investment.

a. Distributions

Upon an exit from a real estate investment, Resolute.Fund intends to make distributions of a portion of the total proceeds from the realization (net of fees and expenses) to holders of its digital securities pro rata based on the number of digital securities held by each investor, out of the total amount of digital securities. When income from the underlying real estate investments is generated, the same process as above will occur, with dividends to be paid out on a quarterly basis. The manager reserves the right to retain all or a portion of aforementioned proceeds for future investments, which is intended to maximize the value of the RESOLUTE digital security. The Manager also can determine the fiat or cryptocurrency in which such distributions will be made.

b. Exchanges

We plan to list the digital securities on at least one exchange after one year from the original DPA or digital security sale, whichever is later, and then list on additional exchanges as the market evolves.

c. Peer to Peer Transactions

RESOLUTE digital securities are standard ERC20 compliant digital securities, therefore individuals can decide to trade them directly between themselves, subject to compliance with federal and other applicable securities laws.

d. Reserve liquidity

Resolute.Fund is considering partnering with Bancor to have the option to enable continuous liquidity with Bancor "Smart Tokens". Below is a description of how this might work:

- Resolute.Fund may allocate up to 5% of funds raised in its sale of DPAs and digital securities in the first 3 years after the first such sale as a "reserve".

- RESOLUTE digital securities holders who want to sell their digital securities can sell them back to the fund, and receive money from the reserve.

- People can also buy RESOLUTE digital securities and add money to the reserve (up to a maximum reserve size).

- Every trade against the reserve will automatically recalculate the price of the digital securities in order that the reserve remains a fixed percentage of the total RESOLUTE digital security economy. This means buying from the reserve will increase the price of the digital security, and selling to the reserve will decrease the price of the digital security.

- Price calculations are done automatically and continuously, so the reserve always stays at the same percentage of the total digital security economy.

This means that digital securities could be bought and sold directly against the fund reserve without having to find a matching demand from another person. This would potentially make the fund liquid from day one.

This model is not designed to let an investor sell or buy 5% of the fund at one time. It is designed to enable liquidity for smaller transactions, up to hundreds of thousands of dollars, in the first 3 years of the fund, without having to find a counterparty buyer or seller.

INVESTMENT PROCESS FOR INVESTORS

1. Interested investors will register on the Resolute.Fund website.
2. Once cleared through the KYC/AML/Accreditation process, investors will receive the legal offering document, (Private Placement Memorandum).
3. Working with our partner Securitize, Resolute.Fund creates investor accounts on the platform for each investor that clears the process.
4. Investors are required to sign a Fund Subscription Agreement, which is a document that summarizes the terms of the investment and captures the investor consent to those terms.
5. Investors invest USD or other fiat or cryptocurrencies into Resolute.Fund.
6. Resolute.Fund managers invest the USD, Crypto into multifamily properties and distressed mortgages.
7. Investors receive their digital securities with all related rights (dividends, redemption).
8. Investors can choose to receive their dividends in fiat or digital currencies.
9. Investors will be able to trade their digital securities on regulated exchanges or peer to peer.
10. Investor tracks their holdings via their personal investor digital account on the Resolute.Fund website.
11. At the end of the fund life, investors can redeem their digital securities to receive the potential capital gains.

FUNDING

The process of collecting funds from interested investors and distributing the issued digital securities to investor wallets will be handled end-to-end by Securitize on the back-end, in compliance with the requirements defined in the set-up phase by Resolute.Fund. Funds collected in BTC & ETH and other cryptocurrencies will be held by a 3rd party custodian service offered on the Securitize platform, Vo1t. For custody of fiat currencies, Resolute.Fund will use a major U.S. bank.

DIGITAL SECURITY ISSUANCE

Once investment funds are received, Resolute.Fund issues digital securities representing LP interests in the fund to investor, which can be tracked in the investor digital account. Resolute.Fund uses Securitize's standard smart contract that includes all necessary global compliance requirements, such as limits on investor counts, lock-up periods, and flowback restrictions.

ONGOING COMMUNICATIONS

Resolute.Fund will use Securitize's community management system to communicate with investors via their investor digital accounts and emails on a quarterly basis. The details of these communications are generally defined in the offering memorandum and may include sharing periodic financial reports or certain event-triggered communications such as those involving dividend payments.

CONCLUSION

Resolute.Fund is a diversified real estate investment fund, offering a diverse portfolio of real estate debt and equity investments in the United States, with the potential for distributions, and liquidity features uncommon to typical private real estate funds. The Fund seeks primarily to acquire income-producing, institutional-quality multi-family housing units in the United States that need redevelopment or renovation. The Fund plans to improve the properties, refinance the equity, and deploy the cash into additional properties. The Fund also seeks to invest in distressed residential and commercial mortgage loans in the United States. The Fund will seek to acquire the loans at discount prices to unpaid principal balance, manage the loans and, after restructuring of the loan or foreclosure, exit via refinancing, resale of loan, or the sale of the underlying property.

Resolute.Fund offers any and all real estate investors access to institutional quality real estate investments, via a fund structure and managed by professionals, with full 24/7 liquidity that has previously not been available in such structures. We believe there are a large number of people who own significant amounts of Bitcoin or Ethereum or other cryptocurrencies, and are looking to diversify their holdings without converting to fiat assets. In addition, the RESOLUTE digital security offers an opportunity for investors new to cryptocurrency investment to participate in a cryptocurrency whose value is derived from a real world asset - real estate. Since real estate makes up one of the largest sectors for investment, (investment in the U.S. commercial real estate market in

2017 was US$ 266 Billion according to Jones Lang Lasalle), we believe the opportunity to invest in a real estate fund offering a digital security whose value will be derived in large part by the performance of the Fund's real estate investments, will appeal to these investors.

Creating digital securities for traditional assets[3] (including real estate) is growing quickly and is happening around the world[4].

[3] https://hackernoon.com/traditional-asset-tokenization-b8a59585a7e0
[4] https://coinidol.com/tokenization-of-real-estate/

SUPPLEMENTAL MATERIALS

DETAILED DUE DILIGENCE CHECKLIST FOR REAL ESTATE INVESTMENTS

1. Tenant Information
   - Leases
   - Copy of Current Rent Roll
   - List of Security Deposits
   - Copied of Common Area Agreements

2. Third Party Agreements
   - Structural Reports
   - Environmental Reports
   - New Phase I Report
   - HVAC Study (if available)
   - Roof Repairs (if available)

3. Title/Survey
   - Commitment of Title Policy with Exceptions
   - Survey
   - Title Insurance
   - Copy of Declaration of Easements

4. Reports/Plans
   - Certificates of Occupancy
     - o Building Certificate
     - o All Tenant Certificate of Occupancy
   - Complete Set of Building Plans
   - Complete Set of CAD Files for Property
   - As-Built Plans
   - Site Development Plans and Approvals

- Schedule of Outstanding TI's and LC's.
- Sewage Discharge Permits
- Soil Tech & Geo-Technical Reports
- Sprinkler Tests

5. Service Agreements
    - Elevator
    - Water Treatment
    - Security
    - Alarm Monitoring Service Agreement
    - Life Safety
    - Trash Removal
    - Janitorial
    - Exterior Landscaping
    - Exterminating
    - Interior Plants
    - Snow Removal
    - HVAC
    - Maintenance & Repair
    - Water Sub-Metering
    - Parking
    - Other
    - Copies of All Equipment Leases

6. Warranties
    - Roof
    - Other

7. Financial/Operational Documents
    - Operating Budget (Past Three Years, YTD)
    - Operating Budget Forecast
    - YE Monthly Income/Expense Statements
        - o Past Three Years, YTD
    - YE Monthly Detailed General Ledger
        - o Past Three Years, YTD
    - Itemized Capital Improvements Complete/Planned
    - Copies of Monthly Utility Bills
        - o Past Three Years, YTD
    - YE PM Reports (including delinquencies)
        - o Past Three Years, YTD

- Detailed CAM Reconciliation Worksheets/BY
    - Past Three Years, YTD
- Year-End Bank Reconciliation
- Staffing Schedule, Including Hire Dates/Salaries/Bonuses
- Inventory of Personal Property
- Crime/Accident Reports and Insurance Claims

DETAILED REPORT ON PROPOSED 162-164 EAST 82ND ST. ACQUISITION

162-164 East 82nd Street
New York, NY 10028

CORE/VALUE-ADD INVESTMENT OPPORTUNITY

INVESTMENT HIGHLIGHTS

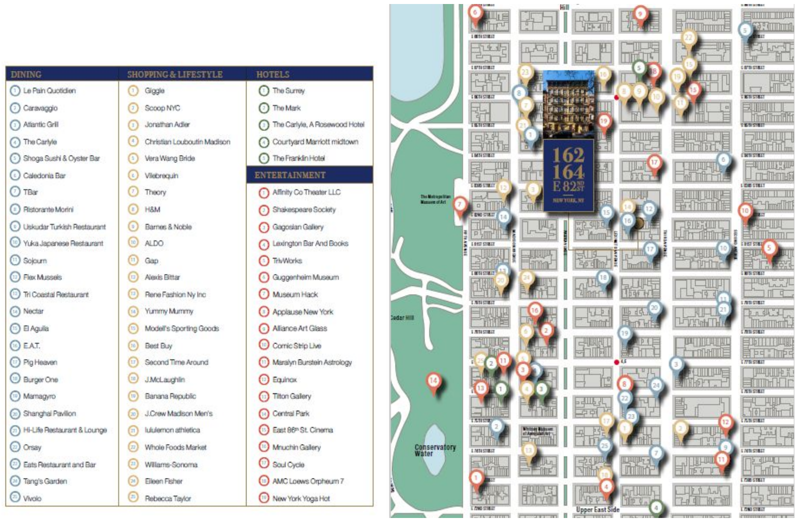
	Total	Per Unit	Per SF
Purchase Price:	$23,000,000	$605,263	$1,169
Closing Costs:	22,000	579	1
Acquisition Fee:	-	-	-
Total Costs:	$23,022,000	$605,263	$1,170
Less: Existing Debt	12,000,000	318,789	610
Total Initial Equity:	**$11,022,000**	**$290,053**	**$560**
Capital Improvements:	300,000	7,895	15
Total Equity Investment:	**$11,322,000**	**$295,947**	**$576**

PROJECTED RETURNS*

In-Place Capitalization Rate:	3.8%
Holding Period:	5 Years
Stabilized Unleveraged Return on Equity (Yr 4):	4.6%
Stabilized Leveraged Return on Equity (Yr 4):	3.6%
Average Leveraged Return on Equity:	3.0%
Exit Capitalization Rate:	4.0%
Unleveraged IRR:	7.9%
Leveraged IRR:	11.6%

EXECUTIVE SUMMARY

162-164 East 82nd Street in New York, NY (the "Property") presents an excellent opportunity to acquire a well-occupied apartment building in the Upper East Side neighborhood of Manhattan, one of the most prestigious residential locations in the world. The address is in the heart of the Upper East Side, approximately three blocks from the middle of Central Park and the Metropolitan Museum of Art. Also in the nearby vicinity is the Guggenheim Museum, the prestigious Lenox Hill Hospital and unparalleled shopping, dining and entertainment options. The Property consists of two, five-story walk-up buildings built in 1920 containing 38-units. Thirty-seven units are subject to New York City Rent Stabilization Regulations and one unit is subject to New York City Rent Control Regulations.



The Property was purchased for $19.4M ($510,526/unit) by Ruben and Victor Azrak in June 2017 from Harbor Group Management who purchased the Property in September 2013 for $16.15M ($425,000/unit). The Azrak's have invested approximately $2M in base building and unit renovations at the Property for a current basis of approximately $21.2M. Ruben Azrak is the founder of Resolute.Fund and will contribute the Property to the Fund at a Purchase Price of $23M.

Approximately 34% of buildings in Manhattan built before 1946 are subject to NYC Rent Stabilization Regulations. After a two-year rental rate increase freeze, allowable rent increases beginning Sept 2017 are 1.25% for a one-year renewal and 2.0% for a two-year renewal. These rental rate cap increases are only applicable to the "legal" rent of the Property and not the in-place "preferential" rent. Every rent stabilized apartment has a maximum legal rent based on its unique history. Landlords are required to register the "legal regulated rent" of rent-stabilized apartments with a state agency (New York State Homes & Community Renewal) every year, but may offer the apartment for a lower amount (market) called a "preferential rent". Fourteen of the units at the Property have "legal" rents that are significantly higher than the "preferential" in-place rent.

Under Rent Stabilization Guidelines, rental rates can also be increased If the owner makes approved building-wide capital improvements or renovations to a vacant apartment (or occupied with tenant permission). The owner is entitled to collect a rent increase equal to either 1/40th or 1/60th of the cost of the improvement. Approximately 90% of the units have been renovated. Units will continue to be renovated as they come available at a cost of $15,000/per unit. There is also the possibility of creating additional value by adding a rooftop deck amenity and creating a Penthouse unit from the 762 sf of available Air Rights.

The Property was 90% leased at purchase and is currently 95% leased as renovations are being almost fully completed. There were 2 units vacant at 162 East 82nd Street as of October 2018 and are listed for rent.

The Property is subject to two loans with Dime Savings Bank. The primary loan has an original balance of $10.5M at an interest rate of 3.75%, 30-year amortization. The secondary loan is also with Dime Savings Bank and has an original principal of $1.5M at an interest-rate of 4.75%, interest-only.

PROPERTY DESCRIPTION

Property Address:	162-164 East 82nd Street Upper East Side New York, NY 10028
Cross Streets:	Lexington & Third Avenues
Property Type:	Apartment (Non-Elevator)
Number of Buildings:	Two
Floors:	Five
Units:	38
SF:	19,670 sf
Average Unit Size:	518
Land Area:	5,108 sf (0.117-acres)
Year Built:	1920
Class:	B
Occupancy of (as 10/17):	76%

Block/Lot:	1510/46, 45
Zoning:	R8B
Zoning FAR:	4
Lot Dimensions:	50' X 102'
Available Air Rights:	762 sf
Parking Spaces:	None
Parking Ratio:	N/A

MARKET ANALYSIS

162-164 East 82nd Street is located in New York, NY within the borough of Manhattan, one of the most desirable real estate markets in the world.

Manhattan is the most densely populated borough of New York City, its economic and administrative center, and its historical birthplace and commonly referred to as just "The City". The borough is coextensive with New York County, one of the original counties of the U.S. State of New York. The borough consists mostly of Manhattan Island, bounded by the Hudson, East, and Harlem rivers; several small adjacent islands; and Marble Hill, a small neighborhood now on the U.S. mainland, physically connected to the Bronx and separated from the rest of Manhattan by the Harlem River.

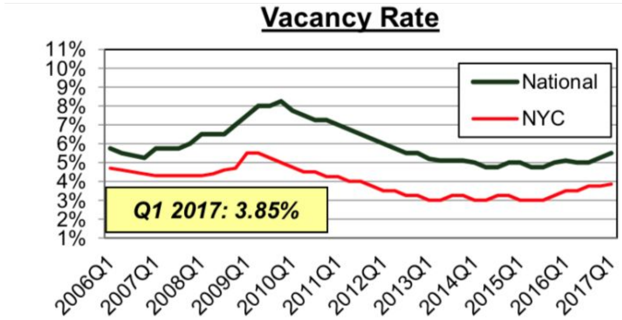
Manhattan is often described as the cultural, financial, media, and entertainment capital of the world, and the borough hosts the United Nations Headquarters. Anchored by Wall Street in the Financial District of Lower Manhattan, New York City has been called both the most economically powerful city and the leading financial center of the world, and Manhattan is home to the world's two largest stock exchanges by total market capitalization: the New York Stock Exchange and NASDAQ. Many multinational media conglomerates are based in Manhattan, and the borough has been the setting for numerous books, films, and television shows. Manhattan real estate is among the most expensive in the world, with the value of Manhattan Island, including real estate, estimated to exceed $3 trillion in 2013. Median residential property sale prices in Manhattan exceeded $1,500 per square foot as of 2018, and Fifth Avenue in Midtown Manhattan commands the highest retail rents in the world, at $3,000 per square foot in 2017.

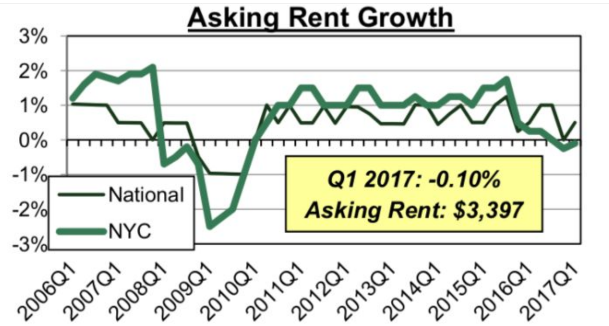
The New York metro is the nation's largest apartment market, with 2.2 million rental units, of which 47% are rent stabilized and 1.2% rent controlled. As anticipated, a glut of new class A supply coupled with a slowdown in overall job growth and a sky-high cost-of-living, have produced elevated concessions and vacancies in the luxury end of the market.

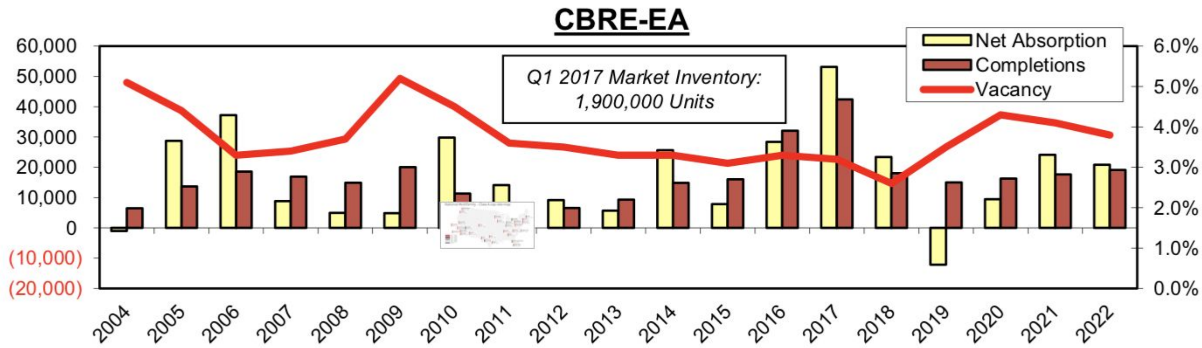
The metro's overall economic drivers are multi-faceted but are primarily two-pronged: FIRE (Finance, Insurance, and Real Estate) and TAMI (Technology, Advertising, Media, and Information). Education and Health Services is actually the largest segment of the Metro's economy at nearly 20%, but its average salary is just $57,000 compared to $119,000 for Financial Services and $154,000 for Information Services. In fact, firms such as Bloomberg, Google, DraftKings, and BuzzFeed have been some of the leading job creators in the metro. Job growth has remained above the national average over the past few years but is expected to slow down over the forecast horizon. It slowed to 1.9% in 2016 and is expected to be just 1.0% annually over the next three years, which is below the expected national average of about 1.4%. Business costs are among the highest in the nation at 161% above the national average. Add in expensive housing, living costs and elevated taxes, and the metro is poised to see a greater rift in income inequality.

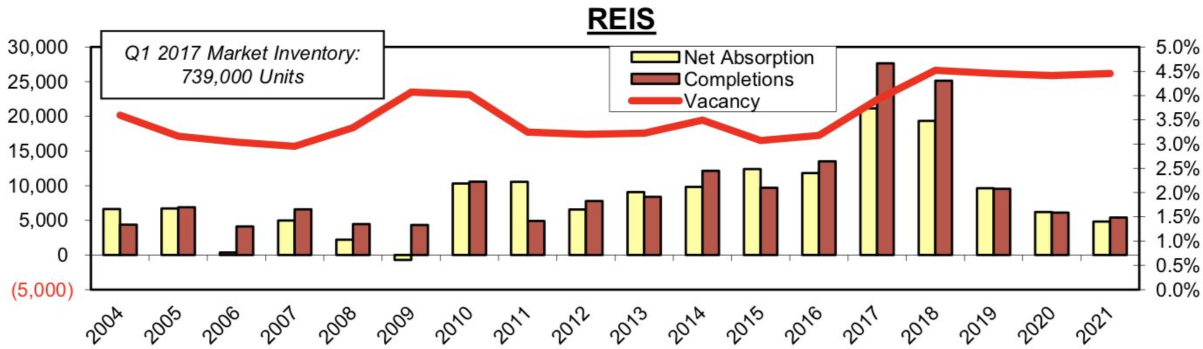
The improvement in the equity markets have improved the financial wherewithal of the metro's money center banks. As Dodd-Frank gets scaled back, the big banks should see a direct positive impact on their bottom line. If Brexit succeeds in sending its capital and jobs from London to New York, the banking sector should benefit. Although the metro does suffer from negative domestic net migration, international immigration remains (for now) robust and thereby creates a cosmopolitan atmosphere attracting a diverse workforce. As a result, demographics are favorable for apartment rentals, with the overall metro's key renting age 20-34 cohort above the national average at 21.5%, compared to 20.8% nationally. Despite rent control and stabilization requirements, the metro has some of the most expensive housing costs in the nation and yet remains a fairly tight rental market.

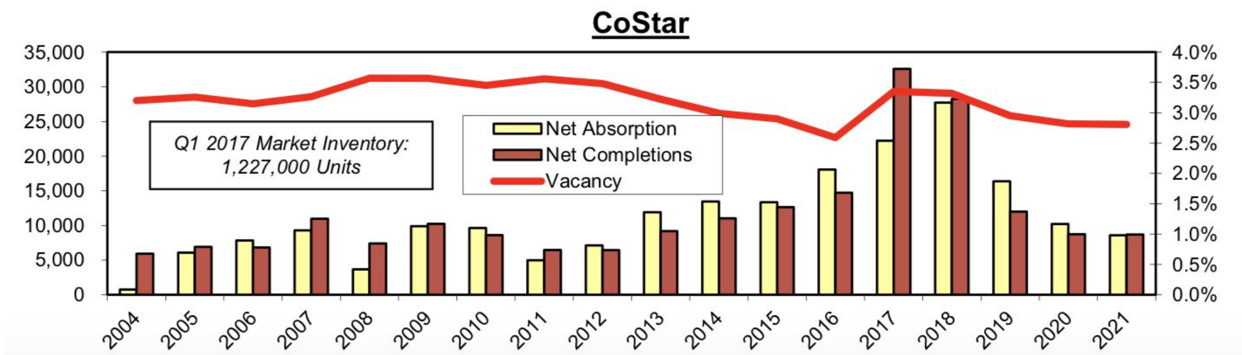
Below are vacancy and rent composite estimates compiled by Fannie Mae:











Source: Fannie Mae Multifamily and Economics Research

Manhattan is typified by numerous high-wage industries generating stable base of renter households. Powered by a diverse employment spectrum and containing more than 8.5 million residents, New York City benefits from a consistent supply of new households. Due to the extreme price of single-family housing, the vast majority of the households seek rental accommodations, particularly in the core boroughs of

Manhattan and Brooklyn where prices are highest. According to Marcus & Millichap, as a result, vacancy rates in these boroughs (and broadly metrowide), have posted significant deterioration, falling to an overall 2% average at the end of the third quarter of 2017. While completion rates have edged higher during the past year, the sheer volume of demand will keep vacancy near the lowest levels of the current cycle.

Below is a breakdown of Manhattan rental rate growth in 2017 by Borough and Submarket (Marcus & Millichap):

Multifamily 2017 Outlook

Metro	Vacancy	Y-O-Y Basis Point Change	Effective Rent	Y-O-Y Change
Bronx	1.2%	-30	$1,360	0.4%
Brooklyn	2.0%	-30	$2,190	3.0%
Manhattan	2.3%	-30	$3,680	2.6%
Queens	1.4%	-20	$2,060	3.0%
Staten Island	2.9%	-40	$1,550	0.2%
Westchester County	3.4%	-20	$1,910	2.2%

SUBMARKET TRENDS

Lowest Vacancy Rates 3Q17

Submarket	Vacancy Rate	Y-O-Y Basis Point Change	Effective Rents	Y-O-Y % Change
Uptown Manhattan	2.0%	-50	$3,111	1.4%
Midtown South Manhattan	2.2%	-10	$4,079	0.7%
Downtown Manhattan	2.4%	-130	$4,195	2.0%
Midtown Manhattan	3.3%	-70	$4,009	1.8%
Manhattan	**2.3%**	**-50**	**$3,569**	**1.4%**

A slower construction schedule, coupled with net absorption of more than 7,600 rentals, trimmed the vacancy rate to 2.3% as of 3Q 2017. All submarkets recorded vacancy declines, reversing the previous trend toward marginally higher vacancy rates. The Downtown Manhattan submarket performed best, with vacancy declining 130 basis points to 2.4%. The average effective rent ticked up 1.6% to $3,569 per month, driven by broad performance throughout the borough. The most affordable rents are in Uptown Manhattan at $3,111 per month. The Downtown Manhattan submarket recorded the fastest appreciation over the last year, rents rising 2% to $4,195 per month, the highest level in the Borough.

New York City is one of the most active investment sales market in the world. In 2016, there was $13.57 billion of multifamily transaction volume, up 2% from the $13.24 billion of activity in 2015. In the elevator category, there was $8.75 billion of sales activity last year, a 5% increase over the $8.37 billion of activity in 2015. In the walk-up sector, there was $4.82 billion of sales value in 2016, just $48 million below the 2015 total. Even in the Manhattan submarket, where sales volumes were off much more significantly than the citywide averages, the multifamily sector saw the Dollar volume of sales increase by 3% in 2016 from 2015.

The number of properties sold in the multifamily sector in 2016 totaled 1,508, a 9% drop from the 1,652 properties that traded in 2015. Elevator properties showed a 19% decrease with 275 buildings sold in 2016 versus the 340 properties sold in 2015. Last year, 1,233 walk-up buildings were sold citywide, a 6% drop from the 2015 total.

With regard to property values in the multifamily sector, 2016 saw price appreciation across the board. This was the case for elevator buildings and walk-up buildings in every submarket throughout the city with the exception of elevator properties in northern Manhattan, where property values dropped by 5%.

Citywide, multifamily properties had an average sale price of $417 per square foot in 2016, an 11% increase over the 2015 average of $374 a foot. Elevated properties rose by 6% to a $514 average while walk-up properties increased by 12% to $397 per square foot.

Capitalization rates continued to compress citywide as well. Total cap rate compression citywide was 26 basis points down to an average of 4.31%. In the elevator sector, the compression was 17 basis points to 3.95% and in the walk-up sector, compression was 29 basis points to 4.47%. In Manhattan, capitalization rates continued to be extremely low with an average of 3.55% in the multifamily sector. Elevator buildings had an average of 3.3% and in the walk-up sector the average was 3.71%.

Manhattan is among the most desirable investment markets in the world, with multi-family a preferred asset type. Average prices per unit are in the mid-to-high $600,00 range, driven by sales in Tribeca, East Village and the Upper East Side with cap-rates in the mid 3% range. Below is a graph charting Manhattan multi-family sales since 2013.

Below is a breakdown of Manhattan 3Q 2017 multi-family sales by type and submarket (Ariel Property Advisors):

HIGHLIGHTED TRANSACTIONS Q3 2017

	PROPERTY NAME	SALE MONTH	SALE PRICE	$/SF	$/UNIT	TOTAL BUILDINGS	TOTAL BUILDING SF	TOTAL UNITS
1	980-996 Avenue Of The Americas	Sep-17	$320,000,000	$800	$943,953	1	400,000	339
2	225-233 West 23rd Street & 220-226 West 24th Street	Aug-17	$100,000,000	$808	$390,625	2	123,731	256
3	47 East 34th Street	Sep-17	$80,000,000	$755	$720,721	1	106,000	111
4	331 East Houston Street	Jul-17	$61,500,000	$910	$788,462	1	67,600	78
5	321 East 22nd Street	Aug-17	$60,928,000	$836	$516,339	1	72,876	118

BREAKDOWN BY PROPERTY TYPE

PROPERTY TYPE	TOTAL DOLLAR VALUE TRADED	TOTAL TRANSACTIONS	TOTAL BUILDINGS TRADED	TOTAL UNITS TRADED	AVERAGE $ / SF	AVERAGE $ / UNIT
Elevatored Building	$259,261,194	8	11	354	$974	$857,428
Mixed-Use Building	$823,447,000	25	31	1,240	$914	$662,959
Walk-Up Building	$233,853,000	19	24	459	$954	$599,120

BREAKDOWN BY NEIGHBORHOOD

LOCATION	TOTAL DOLLAR VALUE TRADED	TOTAL TRANSACTIONS	TOTAL BUILDINGS TRADED	TOTAL UNITS TRADED	AVERAGE $ / SF	AVERAGE $ / UNIT
Alphabet City	$20,885,000	3	3	60	$604	$348,714
Chelsea	$155,000,000	2	4	360	$785	$459,736
Chinatown	$4,400,000	1	1	10	$615	$440,000
Civic Center	$59,500,000	1	3	34	$1,028	$1,750,000
East Village	$30,250,000	2	5	87	$920	$454,721
Garment Center	$320,000,000	1	1	339	$800	$943,953
Gramercy	$60,928,000	1	1	118	$836	$516,339
Greenwich Village	$186,216,000	9	9	273	$1,151	$751,594
Hell's Kitchen	$76,668,194	4	6	93	$1,111	$937,548
Kips Bay	$19,000,000	1	1	30	$1,081	$633,333
Little Italy	$33,000,000	2	4	33	$1,021	$1,141,346
Lower East Side	$135,160,000	7	8	203	$903	$652,293
Manhattan Valley	$64,049,000	3	6	127	$581	$468,278
Midtown East	$80,000,000	1	1	111	$755	$720,721
SoHo	$12,000,000	1	1	17	$1,254	$705,882
TriBeCa	$21,000,000	1	1	19	$860	$1,105,263
Upper East Side	$106,185,000	10	12	185	$1,016	$634,824
Upper West Side	$36,445,000	4	4	66	$788	$578,649

FINANCIAL ANALYSIS

The key underwriting assumptions include the following:

- Holding period of five years.
- Current renovated market rents of $3,390/unit (individual units vary according to NYC Rent Regulation Rules).
- In-place rents increasing 5% in Year 1, 6% in Year 2 and 7% in Year 3, 3% thereafter.
- Stabilized Vacancy Rate of 2.0% annually.
- Expense growth of 2.0% annually.
- Real Estate Taxes based on current assessment and increased 3.0% annually.
- Replacement Reserve of $250/unit.
- Capital Expenditures of $60,000/yr (includes renovation costs of $15,000/unit of 19 units).

- Exit capitalization rate of 4.0% with Closing Costs of 2.5%.

Since the Seller will be contributing this Property to Resolute.Fund, closing costs are estimated to be minimal at $22,000.

Based on these assumptions, the Gross Sales Price at the end of the Holding Period is $29,096,226 ($765,690/unit). The purchase price of $23,000,000 ($605,263/unit) and capitalization rate of 3.8% is in-line with current comparable sales detailed in Market section.

The Property is currently encumbered by two loans from Dimes Savings Bank. The terms are detailed below:

PRIMARY LOAN

- Origination Date: June 15, 2016
- Original Loan Amount: $10,600,000
- Interest Rate: 3.75%
- Amortization: 30 years
- Loan Expiration: TBD

SECONDARY LOAN

- Origination Date: June 15, 2016
- Original Loan Amount: $1,510,000
- Interest Rate: 4.75%
- Amortization: Interest-only
- Loan Expiration: TBD

The pro forma assumes the current loan remain in-place until the Property is sold at end of Year 5.

ASSET MANAGEMENT STRATEGY

The Property is currently being managed by Choice New York Management. Our strategy is to continue with the current in-place Property Management team.
Founded in 2010, Choice New York now manages over one hundred buildings, provides a wide array of staffing and leasing services, and is the fastest growing full-service property management company in New York City.

Choice New York aims to blend superior customer service, operational excellence and technology with traditional real estate principles to meet and exceed resident and client's expectations. Their core values are summarized into Eight "P"s" of Property Management.

Choice New York blends superior customer service, operational excellence and technology with traditional real estate principles to meet and exceed our resident and client's expectations. We have summarized our core values into **Eight "P"s" of Property Management** that we strive to exemplify each and every day.

1. **Professional.** Observance of the highest ethical and operational standards.
2. **Personal.** Communication and responsiveness. Representatives are available 24/7.
3. **Precise**. Responsive, accountable with the highest level of accuracy.
4. **Proactive.** Hands-on approach to property management.
5. **Preventative.** Perform regular building checkups and maintenance routines to ensure that all systems are working properly and attempt to address problems before they develop.

6. **Problem Solvers.** Commitment to expedient, cost-effective and long-lasting solutions.
7. **Persistent.** Tenacity is a valuable commodity that they carry into every endeavor.
8. **Progressive.** Ongoing investment into technology, operations and staff to maximize the performance of client's assets.

Current ownership has invested approximately $2M ($52,632/unit) in base building upgrades and unit renovations into the Property since purchase. Our strategy is to continue unit renovations at a cost of $15,000/unit. This includes total kitchen, bathroom and other fixtures and finishes upgrades. The combination of allowable rental rate increases through capital improvements and relatively high in-place "legal" rents will allow us to increase rents above Rent Stabilization guidelines.

Operating expenses at the Property are consistent with properties of similar size and type, with a current expense ratio of 28%. Our strategy is to continue to run the Property as efficiently as possible and the Base Case pro forma doesn't include a reduction from current Operating Expenses.

RISK ANALYSIS

The primary risks of the investment are potential cash flow volatility, capital expenditures significantly higher than projected, market instability and the Property achieving an exit price less than projected. A further discussion of these risks and mitigating factors is detailed below.

- ***Cash Flow Risk***

Cash flow risk assumes that the Property doesn't perform in accordance with pro forma projections. We believe this risk is mitigated by several factors. Manhattan is one of the most desirable residential markets in the world. The City is landlocked and highly developed, providing limited new development opportunities, particularly in the Upper East Side submarket. The Property is also in an exceptional Manhattan location. It's immediate access to Central Park, two subway stations and premium shopping, dining and entertainment options will always place units in high demand.

- ***Capital Expense Risk***

This risk is that actual Capital Expenditures at the Property are higher than projected. Total capital at the Property is estimated at approximately $70,00/year (deferred capital and replacement reserve). Including renovations and other structural items. In addition, the Azrak's have put considerable capital into the Property since Purchase. The below market purchase price of $19.2M ($505K/unit) has allowed for significant additional capital investment.

- ***Market Risk***

Market risk is that economic volatility impacts Property performance. This risk is inherent in all investments, but we believe this is moderated by several circumstances. 162-164 East 82nd Street is located in Manhattan, one of the leading cities in the world. Although susceptible to an economic downturn, particularly in the FIRE sector, Manhattan continues to be one of the most vibrant locations world-wide with one of the strongest rental markets due the high price of ownership. Economic stagnation would also impact the luxury segment of the market more heavily, while demand for well-located economically priced apartments should remain strong.

- ***Exit Risk***

Exit risk is that the realized Sales Price on the Property is below pro forma projections. The exit capitalization rate is assumed to be 4.0%, while typical capitalization rates are currently in the mid-3% range. Multi-family is the most desirable real estate asset class in the nation with typically the lowest capitalization rates. Capitalization rates are heavily influenced by interest rates, which began to incrementally increase in 2015 after being at historically low levels since late 2008. However, inflation has been consistently low since the early 1990's, the main risk to interest rate increases.

According to REIS, as of 2Q 2017 the average capitalization rate for multi-family properties nationwide is 5.7%, a decrease from 6.0% over the last three quarters. This is despite a corresponding 25 basis point increase in the Federal Funds Rate during the same time period.

TECHNICAL TERMS USED IN THIS WHITEPAPER

Following is a list of terms and jargon that should help non-technical people understand this white paper and the Fund's investment thesis. A note to the technically inclined: these definitions are necessarily simplified, and elide some important details.

- **Blockchain:** "A blockchain is a digitized, decentralized, public ledger of all cryptocurrency transactions….[which] allows market participants to keep track of digital currency transactions without central recordkeeping."[5] It is important to understand that there are different blockchains. Bitcoin exists on its own blockchain. Ethereum is a separate blockchain. Ethereum allows for third-party , such as Resolute.Fund's RESOLUTE digital security, to exist atop it.

- **Digital Securities:** Cryptographically secured digital representations of ownership in a company. The Fund views its digital securities as financial securities subject to securities laws and regulations.

- **Ether:** This is the value token of the Ethereum blockchain. It is used to pay for transaction fees and computational services on the Ethereum network[6].

- **Ethereum:** "Ethereum is an open-source, public, blockchain-based distributed computing platform featuring smart contract (scripting) functionality"[7].

- **ERC20-compliant:** ERC20[8] is a technical standard for Ethereum-based tokens. Tokens that adhere to this technical standard are called 'ERC20-compliant.'

- **Resolute.Fund** and **RESOLUTE**: Resolute.Fund is the real estate investment fund for which RESOLUTE is the digital security.

[5] http://www.investopedia.com/terms/b/blockchain.asp
[6] A good introductory article about Ether and Ethereum is available here: https://www.nytimes.com/2016/03/28/business/dealbook/ethereum-a-virtual-currency-enables-transactions-that-rival-bitcoins.html
[7] https://en.wikipedia.org/wiki/Ethereum
[8] https://theethereum.wiki/w/index.php/ERC20_Token_Standard

- **Smart contract:** A smart contract is a piece of software used to enforce the terms of a contract or negotiation between two parties.

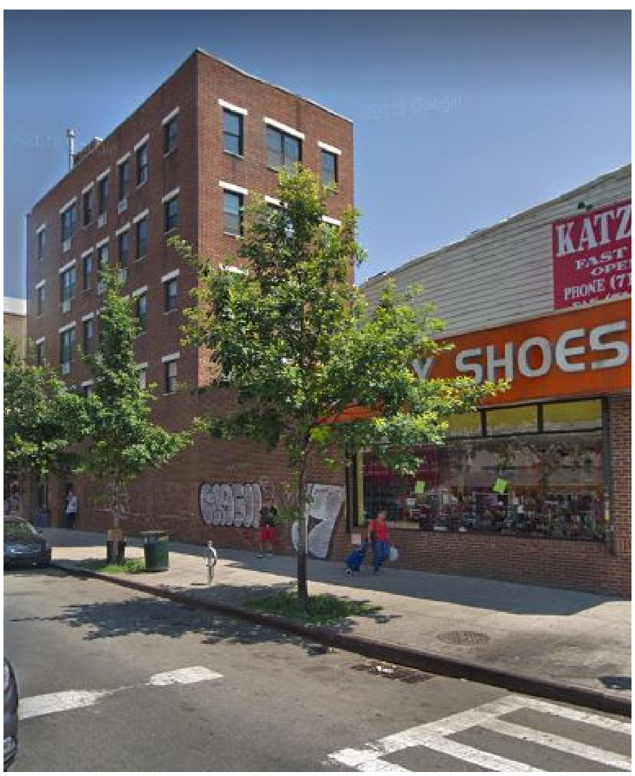
APPENDIX

SUPPLEMENTAL MULTIFAMILY TRACK RECORD

473 Tompkins Avenue, Brooklyn, NY 11216
5255 Square Feet
Acquisition Price: $1.925 million
Date Acquired: 2017
Current Estimated Value: $3 million

349 Myrtle Avenue, Brooklyn, NY 11205
2717 Square Feet
Acquisition Price: $2.4 million
Date Acquired: 2016
Current Estimated Value: $3.0 million

80A 4th Avenue, Brooklyn, NY 11217
3000 Square Feet
Acquisition Price: $2.125 million
Date Acquired: 2016
Current Estimated Value: $3.5 million



78 Graham Avenue, Brooklyn, NY 11206
10,000 Square Feet
Acquisition Price: $135,000
Date Acquired: 1978
Sold 2017: $4 million+

1247 Joseph E. Boone Boulevard, Atlanta, GA 30314
Acquisition Price: $1.5 million
Date Acquired: 2016; Sold 2018: $2.0 million

1260 Myrtle Avenue, Brooklyn, NY 11221
4500 Square Feet
Acquisition Price: $1.825 million
Date Acquired: 2016
Current Estimated Value: $3 million

TRACK RECORD - SAMPLE MORTGAGE LOANS ACQUIRED AND EXITED

- $7,500,000 unpaid principal loan balance (“UPB”)
- Chase Tower, South Bend, IN
- Purchase price $2,285,000; Acquired 2011
- Sold to NY Developer 2013: $3,500,000
- **IRR: 21.7%**

285,000 square foot, tallest office tower in South Bend. Acquired loan in default at discounted price, foreclosed, subsequently sold property to third party investor - Return: 21.7%. Still holding minority equity interest in property. 2017 converted to Aloft Hotel with $30M investment - future value of $50M. Additional return expected from equity holding.

- $36,000,000 unpaid principal loan balance
- NB Brass Millworks, New Britain, CT
- Purchase price $1,800,000 (Bought from Wells Fargo)
- Acquired 2011
- Sold to NY Developer in 2013: $3,500,000
- **IRR: 43.7%**

600,000 square foot warehouse on 23 acres. Property originally bought by developer for $8.5M, invested $3.5M to upgrade windows/elevators. Refinanced and received $36M loan. Stopped making payments. The loan was acquired from the bank for $1.8M, sold to new developer for $3.5M. The 600,000 sf structure is worth $4-5M. Land value in addition. Subsequently sold off 9 acres for $1.5M/and 40% of building for $2M within 6 months. $1.7M profit booked and still own 50% of project.

- $3,800,000 unpaid principal loan balance
- Residential Mortgage Pool Northwest Atlanta
- Purchase price $2,770,000
- Acquired August 2015
- **Expected IRR: 17.5%**

Pool of 41 residential mortgages, in Cedartown, GA. Small balance mortgages. Very good cash flow at 7.5% per annum on average. Effective rate 12% per annum. Acquired the loans at 73 cents on the Dollar. Borrowers had been habitually late. We modified the loans to exit in 12 months once reperforming. The client currently holding for cash flow. We maintain equity in property as well.

- $1,850,000 unpaid principal loan balance
- Asset: 1st Mortgage on vacant 24,000 sf Florida office building
- Purchase Price $1,690,000
- Acquired 12/2015
- Market Value $2,200,000
- **IRR: 12.3%**

This loan was acquired in the late stages of foreclosure. The selling bank had been in litigation for over 8 months and wanted this off the books before the end of the year. We continued the foreclosure, but a receiver was appointed, as expected, and the building was sold for $2,400,000. We received its proceeds including the added legal fees paid by the bank. We received $1,850,000 in August and additional funds of $200,000.

- $2,700,000 unpaid principal loan balance
- 1st Mortgage: Texas Assisted Living Facility
- Purchase price $925,000
- Acquired 9/2015
- Market value at the time $1,400,000
- **IRR: 52.7%**

This loan was acquired from a Bank. The property was in good condition and continues to run. Owner/borrower had been struggling to make on-time payments. Communication was made with the borrower to work with us to modify the loan or we would foreclose. We offered a modification agreement (loan/interest reduction/extension) to make payments more manageable for the borrower. Borrower has since remained current and is in 14th month. We currently receives 11.8% interest income return. In addition, We offered a discounted payoff of $1,400,000 (from $2,700,000 owed) to the owner via refinance/sale of the property. The additional profit on top of income, is expected to be $475,000.

IMPORTANT LEGAL NOTICE

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b) the risk that RESOLUTE may be unable to execute or implement its business strategy and future plans;
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g) changes in preferences of customers of RESOLUTE;
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i) changes in the future capital needs of RESOLUTE and the availability of financing and capital to fund such needs;
j) war or acts of international or domestic terrorism;
k) occurrences of catastrophic events, natural disasters and "acts of God" that affect the businesses and/or operations of RESOLUTE;
l) other factors beyond the control of RESOLUTE; and
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