



Port Authority Opportunity Zone™

P3 Private Public Partnerships

A FOCUS ON COMMUNITY
PORT INFRASTRUCTURE

DIGITAL TRANSFORMATION
Enhancing Local Quality of Life

O|Zone™

P3

PORTS
ZONES

OPPORTUNITIES

TARIFFS | DIGITAL MEDALLIONS

DIGITAL TWINS

An Overview of Private | Public | Partnerships

O|Zone™ Port Authority Opportunity Zone™ framework is designed to assist local government authorities in developing and expanding local Community infrastructure, promoting development of new businesses, expanding existing economic activities, introducing new technology applications, improving education and wellness, supporting cultural, religious and social organizations, and improving quality of life.

PORTS

For centuries, local|regional|national governments developed “ports” to enhance economic activity, increase jobs, promote education, improve training and establish permanent infrastructure. This essential government function is tightly coupled with the private sector. Community infrastructure reduces operations cost, barrier to entry and enables longer term, lower cost capital recovery.

The concept of public - private infrastructure “PORTS” is a fundamental element of O|Zone™.

ZONES

In recent years, city planners have re-popularized the concept of “Zones” to create “hubs” of similar or synergistic activities, whether work, public gathering, specialty manufacturing, etc.

The concept of “free trade zones” has been a fundamental element of enhancing global trade. To promote entrepreneurship and increase economic activity and quality of life improvements, global cities are expanding this concept to create zone specific infrastructure, reorganizing their financial participation both in capital funding and future revenue participation, and promoting entrepreneurship, public private synergy with a focus on improving local quality of life.

The concept of “ZONES” may be applied within a Government Authority’s geographic area and within a broader region of Government Authorities collaborating within a Port Authority Opportunity Zone.

Examples of Dubai Free Trade Zones - Dubai Multi-Commodities Center, Dubai Airport Free Zone, Dubai World Trade Centre, Dubai Silicon Oasis, Dubai Commercity Free Zone, Dubai Virtual Commercial City, Dubai Internet City, Dubai Academic City, Dubai Biotech Research Park, Dubai Design District, Gold and Diamond Park, Dubai Healthcare City, Dubai Industrial City, Dubai Knowledge Village, Dubai Media City, Dubai Outsource Zone, Dubai Studio City, Dubai Techno Park, Dubai International Financial Centre, Dubai Integrated Economic Zone

OPPORTUNITIES

O|Zone™ Initiatives Models Each O|Zone™ Initiative is a model designed for a specific type of activity supported by an Ecosystem(s), Community(ies) and/or Region's Port | Zone infrastructure. Each Initiative Model is designed to implement continuous "best practices" in operations, financing, etc.

Each O|Zone™ Initiative instance (an "Opportunity") contributes a portion of its revenue and economic appreciation to that Initiative's intellectual property core. Improvements contributed by an Opportunity participant, including the public sector, enables that participant to share in increasing value of an Initiative's technology core and of the region's public | private infrastructure.

O|Zone™ Initiatives framework encourages public and private participants to develop new and contribute to existing O|Zone™ Initiatives, participating in future technology revenues and value.

TARIFFS | DIGITAL MEDALLIONS

Tariffs Tariffs may be used to establish amounts of and collect revenue as well as pay for essential government services and repay capital expenditures for infrastructure.

Tariffs also serve to establish rules, regulations, operational guidelines and as a framework for enhancing quality of services, adjusting price standards, assuring equal access to goods and services, enforcing Community standards, environmental objectives and improving quality of life.

Tariff - Wikipedia - A tariff is a tax imposed by a government of a country or of a supranational union on imports or exports of goods. Besides being a source of revenue for the government, import duties can also be a form of regulation of foreign trade and policy that taxes foreign products to encourage or safeguard domestic industry.

Digital Medallions "Digital Medallion" is a moniker for advanced "digital assets" technology applied to "tariffs". Major cities have used a "taxi medallion" affixed to a taxi or limo to identify taxis which pay a tariff and agreed to its terms, to operate taxi services within a city. Through this mechanism, cities controlled quality of service, assured taxi availability, and established standard prices among competing vendors. Historically, these permits appreciated in value and were transferrable.

Digital Medallions represent a 21st Century version of these centuries-old standards, rights, fees and value instruments. As "government issued instruments", Digital Medallions are designed to benefit from the panoply of laws, regulations and historic norms afforded government obligations.

Digital Medallions, in addition to establishing rights, standards and rules, may be used as a principal infrastructure funding mechanism and a core element in revenue | value participation in P3 Projects.

DIGITAL TWINS

A New Form of Port | Zone Advanced digital and "ai" technologies provide new infrastructure tools to enhance a Community's digital footprint, expand economic and legacy productivity, providing new educational, training, vocational, cultural and artistic expression for local Community residents.

Digital Twins Extending the concepts of **PORTS** and free trade **ZONES** through expanded communications, processing, digital memory and storage hardware, as well as advanced digital "twinning" of physical facilities and virtual facilities, provides new Opportunities for Digital Transformation.

Digital Transformation - An emergent concept driving advanced digital Community infrastructure!

O|Zone™ Port Authority Opportunity Zone™

...is a protocol for economic development through private | public | partnerships.

Local government authorities collaborate with private sector participants to identify and implement opportunities to enhance infrastructure and improve local quality of life for all constituents.

O|Zone™ Initiatives are templates to assist public and private sector partnerships. Each instantiation of a template, an "Opportunity", is designed to form an economic, infrastructure or non-profit activity, facilitated by local government and private sector participants to expand a local Community's economic, cultural, educational, wellness and social quality of life.





O|Zone™ Initiatives provide a framework encouraging, developing and implementing economic growth and enhancement of quality of life Initiatives in local Communities.

The framework is designed as a catalyst for:

- Creation and Enhancement of Opportunity Zones;
- Enhancing development of core municipal infrastructure;
- Encouraging partnerships between private and public sector;
- Expansion of government, education and community resources;
- Developing local broad spectrum self-sufficiency and warehousing;
- Evolving community-centric economic wealth participation, and
- Increasing long-term public-purpose community infrastructure.

Port Authority Opportunity Zone™

O|Zone™ Initiatives are designed as a catalyst for economic growth, enhancement of local quality of life, and a means of sharing benefits of the impact of various Initiatives between and within Communities.

Port Authority Opportunity Zone™ is designed to expand historic public-purpose port infrastructure within local communities to increase economic growth, expand jobs and enhance quality of life.

For centuries, transportation and shipping ports have served as key drivers of economic vitality. These facilities have historically served as nexus points between national, regional and local interests, involving private and public sectors, with government and private participants providing funding and administration.

The framework encourages creation of new tools and Initiative templates, including ports for air, drones, healthcare, by local Communities and entrepreneurs, which may be shared among member Communities.

A primary objective is to reverse the flow of economic payments out of the Community, returning them to an expansion of the Community. Another focus is on Community self-sufficiency, local innovation, and coordinated efforts to address local needs and broader based participation in gains from collective effort.

Building strong local Communities enhances the strength and prosperity of the Nation. Port Authority Opportunity Zone™ framework and O|Zone™ Initiatives seek to focus on local geographic areas and citizen communities which mutually benefit from optimization of infrastructure and modular components.

Of particular focus of this document are government participants, decision makers, policy advisors, Community leaders, entrepreneurs, faith leaders, innovators and prospective Participants.

Of specific importance, the described approach seeks to expand historically successful public - private infrastructure approaches by applying optimized long-term funding concepts and advanced technologies to an increasing set of public-purpose Community - Centric infrastructure components designed to advance economic, cultural, environmental, educational, trade-centric and quality of life objectives.

Enhancing Quality of Life



Port Authority Opportunity Zone™

PORT AUTHORITY OPPORTUNITY ZONE™

A Port Authority Opportunity Zone™ (“PAOZ”) represents a regional geographic area comprised of one or more contiguous political sub-units, such as counties or parishes.

Area Each PAOZ may include several contiguous counties, or a smaller number with greater land mass and/or population, as determined by local participants in establishing a PAOZ.

Port Cooperation Agreement Public sector (government) collaborators may comprise traditional port-related government bodies, as well as special-purpose Government Authorities with funding and eminent domain powers, and special improvement districts with police, fire, utilities and civil services powers.

Government Authority A Government Authority is a political subdivision of a state, province, county, parish or other sub-unit. Its powers may apply within a specific geographic area, for specific administrative and financing purposes.

Tariffs | Operations Port-related Government Authorities have a history of establishing tariffs,

operational rules and regulations, funding and maintaining oversight of port operations, finances, and participant usage.

Concessions In the past several decades, United Nations global initiatives have resulted in substantial numbers of global ports contracting the services of private sector administration and operations firms (“Concessionaires”) to administer daily “port” operations.

Governance UN model promotes political subdivisions establishing public sector policies and objectives, while benefiting from private sector management, cost optimization and globally commercial terms applied to port operations.

O|ZONE™ PAOZ FRAMEWORK

The Framework is consistent with expansion of fee-based “Government as a Service” public purpose infrastructure designed to incorporate new technologies and applied use cases.

The “Port” model provides a successful analog for an expanded framework of public and private local collaboration designed to expand economic activity, wellness and quality of life.

O|Zone™ Initiatives and Programs are not just a series of transactions ... but rather long-term relationships. Each Port Authority Opportunity Zone has as its principal mission an active ongoing collaboration between its government members and private sector affiliations to identify opportunities to improve quality of life for all of its constituents. Identification of issues and implementation of repeatable solutions is a core focus.

O|Zone™ Initiatives are designed as repeatable, innovative models and improvements in Community infrastructure to provide efficiencies, cost sharing and productivity enhancement, including in electronic infrastructure, information access and financial and transactional costs. Connectivity within the Community, promotion of local trade interaction, and improvement of food, health, social well-being and volunteerism are key O|Zone™ elements.

Legacy Ports ...

Traditional Port Facilities -

American Association of Port Authorities Definitions of Ports have included “acquire, install, lease, construct, own, hold, maintain, equip, use, control, operate ports, harbors, waterways, channels, wharves, piers, docks, quay, elevators, tipples, compresses, bulk loading and unloading facilities, warehouse, floating dry docks, graving docks, marine railways, tugboats, ships, vessels, shipyards, shipbuilding facilities, machinery and equipment, dredges and other facilities, required and incidental to the construction, outfitting, drydocking or repair of ships, vessels, and water, air and rail terminals, and roadways and approaches thereto, and other structure and facilities needful for the convenient use of the same in aid of commerce, including the dredging, deepening, extending, widening, or enlarging of any ports, harbors, rivers, channels, and waterways, the damming of inland waterways, the establishment of water basins, the acquisition and development of industrial sites and the reclaiming of submerged lands.” ... “ wide latitude and discretion shall be vested in the board in the exercise of its powers and duties...”¹

The American Association of Port Authorities further note that “port authorities are typically empowered to exercise the powers of eminent domain, to conduct studies and develop plans, levy facility cargoes, issue bonds, to sue and be sued, to apply for federal grants, to act as the local public assure for federal navigation projects, to enter into contracts and agreements, and, frequently, to do all acts and things necessary or convenient to carry out the powers expressly granted.”

They add “the range of permitted port authority activity may also be variously extended to include airport, bridges, tunnels, commuter rail systems, inland river or shallowdraft terminals, industrial parks, foreign-trade zones, world trade centers, terminal or shoreline railroads, shipyards, commercial vessels, dredges, marinas, and other public recreational facilities and “Inland ports” for container storage, warehousing and services.

Certain navigation districts are empowered to levy taxes. Many are given police powers, at least to the extent of maintaining security and enforcing board approved ordinances on properties owned by the port authorities. A few exercise regulatory powers, such as licensing of stevedores, and enforcement of local or state environmental and land-use regulations, and management of submerged or tidal lands within the port’s jurisdiction.

They observe a Government Authority may administer zoning resolution; planning, designation and protection of wildlife habitats, establishment of open space areas and areas provided for recreational use with open access for the public, protection, conservation, supervision and improvement of wildlife, fish resources and the ecology of the area, and control and enhancement of the aesthetic appearance of the areas within the jurisdiction of the district.

US Environmental Protection Agency US EPA provides an excellent overview of traditional and emerging port facility activities, administration and new focuses.²

They note that while port authorities do not control private terminals, military operations or industrial facilities located in or around port facilities, some private tenants may be subject to controls within agreements. They observe the role of federal, regional, state and local port authority; divisions of state, county or municipal government; independent port or navigation district; and private terminal lessees or owners, in operations.

Of particular note they observe that ports support and benefit local, regional and national economies through job creation and transporting goods (and persons), partnering with communities to offer workforce development programs, protecting the environment and coordinating on land use planning to incorporate community amenities. In addition, they caution that “near-port communities may not be receiving a fair share of the economic benefits that are flowing to the region” and may include Native American tribal groups, sovereign nations which may have associated treaty rights that influence port-community relations.

In addition, US EPA observes “environmental justice will be achieved when everyone enjoys the same degree of protection from environmental and health hazards and equal access to the decision-making process to have a healthy environment in which to live, learn, and work.”

The foregoing are fundamental elements of O|Zone™ Initiatives!

¹ Enabling legislation of Mississippi State Port Authority - American Association of Port Authorities https://www.aapa-ports.org/files/PDFs/governance_uscan.pdf

² <https://nepis.epa.gov/Exe/ZyPDF.cgi?Dockey=P100YQUC.pdf>

... 21st Century Ports

O|Zone™ Port Authority Opportunity Zone™ Framework is designed to expand traditional public purpose government supported infrastructure to a broader range of community activities designed for new forms of technology businesses and Community requirements

- **Airports** - In addition to traditional airports, the future may include:
 - Drone Ports - for shipments, package delivery, agriculture, and a range of other applications;
 - Flying Taxi Ports (VTOL) - may be located conveniently in a Community for short-distance travel;
 - Autonomous Passenger | Package Ports - Point to point, personal rapid transit;
- **Land** - In addition to traditional passenger, rail and truck transportation, new technologies include:
 - Tunnel Ports - for underground person and package shipments;
 - Inland Container | Tank Ports - designed for autonomous package and liquids shipping|storage;
 - Vehicle Fueling | Power Ports - Locations for electrical, hydrogen and alternative re-fueling;
 - Covered Parking Ports - Energy production from wind, solar, hydrogen and new technologies;
 - Climate Remediation Ports - Carbon reduction, clean air and water, reduce emissions;
 - Bespoke Configuration Facilities - designed for manufacturing, processing, robotics;
 - Agriculture - land remediation, manufacturing, agricultural processing, fertilizer remediation;
 - Algae Energy and Food Production - new technologies for biofuels, energy and food;
 - Honey Bee Restoration - Autonomous pollen ports to replenish bee population;
 - Bespoke Agriculture | Food Facilities - robotic - assisted seed, grow, processing, packaging;
- **Water** - In addition to traditional sea, river and lake ports, new technologies include:
 - Autonomous River Transport - designed for smaller | faster shipments by river, across lakes;
 - Environmental Remediation and Energy Production Ports - Community and project centric;
 - River Dredging Ports - processing of dredged materials for chemical and minerals reclamation;
 - Fossil Fuel Extraction Ports - processing of well-based seawater for fresh water and minerals;
- **Community Activities** - New technologies provide opportunities for cultural, education, entertainment, wellness, business and a range of sports and spiritual activities which may include:
 - Specialized Facilities for Community purposes - fitted with Wireless 7 | 5G, Thread networks, IOT devices and advanced technologies to lower electricity, gas and water consumption, improve security, enhance in-building health conditions, and link to Community internet resources;
 - Office | Business | Retail Structures - designed to integrate with Port - Tariffs and technologies;
 - EcoPorts - New technology nodes designed to monitor and report environmental quality;
 - Volunteer Fire | Emergency Medical | Specialty Wellness - new technology emergency “ports”;
- **Community Communication | Storage Ports** - New technologies envision Community - centric Ports for a range of communication and information storage infrastructure, which may include:
 - Communication Ports - wired, fiberoptic, Ionosphere, low and upper earth satellites, microwave, mesh, thread and wireless, external and internal connectivity, and shared memory;
 - Security | Privacy | Identity Ports - Community - Centric technology ports to facilitate personal, business and community security, privacy and identity;
- **Digital Ports** - Many Communities are in need of Community - specific digital assets infrastructure, training, services and to benefit from Community Government Infrastructure services;
 - Electronic Community Gardens - digital assets are the new “agriculture”, expanding quality of life, economic growth and creating an ability to bring wealth into a “Digital Community”; and
 - Digital Ports - a variety of Digital Ports may be developed to connect Community activities.

Port Model Funding Model Participation Model Private Public Participants

A FOCUS ON PARTNERING COMMUNITY PORT INFRASTRUCTURE
Enhancing Quality of Life

Economic Expansion through Private | Public | Partnerships

PREAMBLE

O|Zone™ Port Authority Opportunity Zone™ framework is designed for formation of various types of “Ports” or “Zones” within a Port Authority Opportunity Zone, sponsored by Government Authorities in conjunction with private sector participants.

O|Zone™ has created a series of Initiatives and an Innovation Framework for encouraging formation of new Initiatives for inclusion in local Zones. Each Initiative instance (a “P3”), involves a Government Authority and one or more private participants.

Port Model

Specialty zones have been a successful concept in many global cities.

A Government Authority may select O|Zone™ Initiatives as well as configure their own, in conjunction with private sector participants, in a manner similar to legacy ports and private operators.

A P3 Project benefits from one or more Community Ports or Zones, by way of issuance by one or more Government Authorities of port tariffs for the P3 Project, referred to as “Digital Medallions”.

Funding Models

O|Zone™’s P3 model is designed as a long-term synergistic model for building Community-Centric Port Zone infrastructure, in part funded by Government Authorities and by private participants in various P3 Project partnerships, an integrated public | private infrastructure approach.

O|Zone™ Protocols include long-term financing models which may be configured for applicable bespoke P3 Project objectives. A Government Authority may engage a registered government finance advisor and/or a registered securities broker to facilitate structuring and placements. In addition, local [accountants, legal counsel and structuring advisors should be consulted](#).

Private sector participants may contribute private funding for specific components of a P3 Project.

Participation Model

O|Zone™ Initiatives and Port Authority Opportunity Zone Model standards are established and enforced through Digital Medallions issued by applicable Government Authority, as well as facilitating participation in financial benefit by Community and private sector participants.

Port Authority Opportunity Zone™ - Organization Structure

Ports | Zones A Government Authority may undertake its own P3 Project collaboration within its geographic area, by engaging specific O|Zone™ Initiatives with private sector participants, as one-off P3 projects or as a part of a plan to develop area-specific Zones.

Master Concessionaire Each Government Authority engages a Master Concessionaire to undertake daily operational activities, particularly with private sector P3 Project participants. Master Concessionaires may engage an Initiative Concessionaire with regard to specific Initiative participants. Concessionaires are private sector participants and operate under a standard United Nations Port Concessionaire model agreement.

Within a Port Authority Opportunity Zone region, several Government Authorities may collaborate to plan various Ports and Zones to mutually benefit the entire region.

Port Authority Cooperation Agreement Each Government Authority is a signatory to an Intergovernmental Cooperation Agreement. The group's governance structure and staffing protocol is agreed between the public parties, and administered by its staff ("Public Staff"). Grant processing, governmental programs, government relations and liason activities are primary functions of the Public Staff.

Private Sector PAOZ Affiliates The O|Zone™ Port Authority Opportunity Zone™ Protocol includes non-profit organization(s) for private sector participation affiliations and operations, which is administered by respective staff ("Private Sector Staff") The Public and Private Staff coordinate in oversight and policy administration of Port Authority Opportunity Zone™. Private sector participant membership management is a primary Private Staff function, along with coordination with other Port Authority Opportunity Zone™ affiliates.

Private Sector Community Affiliate The O|Zone™ Port Authority Opportunity Zone™ Protocol includes a non-profit organization for Community participation affiliations and operations, which is administered by its staff ("Community Staff") The Community Staff is charged with liaising with local Community public welfare and Initiative participants.

O|Zone™ Cooperative Affiliate The O|Zone™ Port Authority Opportunity Zone™ Protocol includes a federated organization chapter of the applicable country specific O|Zone™ Cooperative through which local Community members benefit from cooperative membership. The Cooperative Staff is charged with facilitating local member support.

O|Zone™ Risk Affiliate The O|Zone™ Port Authority Opportunity Zone™ Protocol includes affiliation with a trio of special purpose international insurers, organized to facilitate specialized risk transfer solutions, for P3 Projects and Participants within its Port Authority Opportunity Zone™. P3 Projects and participants may have access to specialised Initiative Insurers as well. These activities are administered by a Risk Staff, whose role is to engage with P3 participants, applicable specialty insurers and designated licensed local insurance intermediaries and accredited risk management consultants.

O|Zone™ Banking Affiliates The O|Zone™ Port Authority Opportunity Zone™ Protocol includes a special purpose digital assets bank model which facilitates interaction between applicable Federal Reserve Bank | Federal Home Loan Bank and local O|Zone™ Member Banks and special purpose lending and credit funds, aided by Directed Portfolio Facilities.

O|Zone™ Accredited Professionals The O|Zone™ Port Authority Opportunity Zone™ Protocol includes various accredited professional roles, including accountants, law firms, consultants, government securities professionals and other Community professionals.

Port Authority Opportunity Zone™ - Private Participants

O|Zone™ Participant Framework

A P3 Project (an “Opportunity”) may involve a single private sector participant in a Port | Zone activity. To optimize and reduce financing costs, O|Zone™ Principals observed that various private sector participants may benefit from tax incentives and investment objectives which could be optimized by a de-construction approach to private sector Participation. In essence, various structural and financing functions are allocated to discrete components, as described hereafter. This approach improves credit risk mitigation and optimizes a range of private participant objectives.

In analyzing various business types and incentive models, the Protocol identifies the following discrete Roles associated with an Opportunity:

- **Business | Services Operator** - The Business Operator Role reflects the Party(ies) who is the primary driver of the business or service related to a P3 Project. This Party may not have access to sufficient capital to launch the Business or Service solely within their own resources, in a traditional structure.
- **Land Provider** - Assuming Opportunity requires land or a site, it is assumed land or site is within the geographic area of the applicable Government Authority. The Land Provider Role may have several options.¹
- **Building | Pod | Facility Provider** - If the Opportunity requires a fixed building, it is assumed the building is within a Government Authority's geographic region. The Building may or may not have land. The Building | Pod | Facility Provider Role may comprise various steps.² Obtaining a Digital Medallion may not constitute lease income from the Business | Services Operator, as the Business | Services Operator does not lease the building | pod | facility. The Digital Medallion may generate capital gains from the P3 Project.
- **Infrastructure Business Role** - This role involves a person in the business of providing equipment, software, content and other intangible assets which obtains a Digital Medallion associated with the Opportunity. Again, this arrangement does not seek to constitute a lease. This Party may also own a portion of the Business | Services Operator.
- **Inventory Provider** - Infrastructure Businesses and others may provide Inventory for a specific Opportunity. Properly constructed hedge arrangement(s) may turn price volatility related to Inventory into a capital gains asset.

The Government Authority's designation of an Opportunity and its issuance of function-specific Digital Medallions related to the Opportunity's discrete functions, provides an operating permit and the potential for increase in value in a capital asset, just as taxi-medallions, in days before ride sharing.

Each of the above roles may be capital intensive, the least of which, however, is the Business | Services Operator. A lower amount of working capital may be required for this function, compared to larger capital requirements for land, building|pod|facility, equipment, software and other intangible and tangible assets.

The component infrastructure enables a more optimized use of tax incentives and participant objectives, solves a range of other issues, and shifts asset-backed debt and related capital equity to high income | net worth taxpayer Participants, who benefit from revenue and value participation through applicable Digital Medallions.

For the Governmental Authority, a stream of revenue is available to the Community.

1 Several land scenarios have been identified:

- a) the owner of land may lease the land or acquire a Digital Medallion related to the Opportunity for use of the land;
- b) the owner may wish to sell the land as a liquidity event and/or to obtain a capital gain;
- c) the owner may be a Governmental Authority. If land requires improvements, such as streets, utilities, etc., acquisition of the land by the

Governmental Authority may enable these improvements to be financed using tax-exempt municipal bonds, then lease the land to the Land Provider who may benefit from accepting a Digital Medallion, booked as a capital gain; or

d) a Land Provider might undertake a pre-paid lease with the Government Authority, obtaining imputed tax-exempt interest, while obtaining a Digital Medallion, with capital gain treatment.

2 Several building scenarios have been identified:

- a) the owner of building|pod|facility may lease the building or acquire a Digital Medallion for use of the building|pod|facility;
- b) the owner may wish to sell the building as a liquidity event and/or to obtain a capital gain;
- c) the owner may be a Government Authority. If building requires improvements, acquisition of the building by the Government Authority may enable these improvements to be financed using tax-exempt municipal bonds, then lease the land to the Building Provider who may benefit from accepting a Digital Medallion, booked as a capital gain;

d) a Building Provider might undertake a pre-paid lease with the Government Authority, obtaining imputed tax-exempt interest, while obtaining a Digital Medallion, with capital gain treatment; or

e) a Building Provider may determine a tax benefit exists to undertake the improvements directly.

O|Zone™ Initiative Participants

GOVERNMENT AUTHORITY

Public sector parties may wish to establish or use an existing special purpose government unit to join an Intergovernmental Cooperation Agreement as part of a Port Authority Opportunity Zone™. O|Zone™ Initiatives are available to Port Authority Opportunity Zones and their Government Authority members.

MASTER CONCESSIONAIRE

Each Government Authority enters into a Master Concessionaire agreement which supports operational aspects of O|Zone™ Initiatives and interaction with O|Zone™ Participants, including sub-Concessionaires.

INDENTURE TRUSTEE

Activities related to Digital Medallions, Tax-Exempt Obligations and taxable financing and leases are facilitated through a model Indenture, entered into with an accredited financial institution as Indenture Trustee. An Indenture Trustee may be involved in “work-out” activities within Digital Medallion operations.

LOCAL, BOND AND SPECIAL COUNSEL

A Government Authority may appoint a Bond Counsel, local Government Authority Counsel and Special Counsel to facilitate their activities in formation and operations of O|Zone™ Initiatives. Special Counsels may be called upon to assist in “work-out” activities, tax and other matters.

MUNICIPAL UNDERWRITER | BROKER | ADVISOR

Registered securities professionals may assist in development of tax-exempt bond and lease issuance, various taxable obligation issuances, and some Digital Medallion activities.

INVESTMENT BANKER

Another function of registered securities firms involves investment banking and advisory services, transaction development, note and mortgage acquisition, and “work-out” services.

DEPOSITORY FACILITIES

Bonds, Digital Medallions and other instruments issued by a Government Authority may be held in securities depositories, along with payment, administrative, trust and custody services provided by recognized financial institutions.

TITLE COMPANY

In addition to traditional title work on property and asset closings, local title companies are a key participant in various preparation, filing and certification of Digital Medallions.

LOCAL COMMUNITY BANK

Issuance of debt obligations to fund additional capital, acquisition of debt obligations by a Government Authority and annual servicing are essential functions of local banks, as well as standard banking services.

BUSINESS | SERVICES OPERATOR

O|Zone™ Business | Services Operators are a part of Opportunity component ownership and operations.

INFRASTRUCTURE BUSINESS | INVENTORY | LAND | BUILDING POD FACILITY COMPONENTS

Participants in each of these roles, may interoperate with an Opportunity and participate in revenues.

COMMUNITY PROFESSIONALS

O|Zone™ Initiatives provide accreditation to a broad range of local Community professionals and facilitators, including legal counsel, accountants, local directors, real estate professionals and advisors.

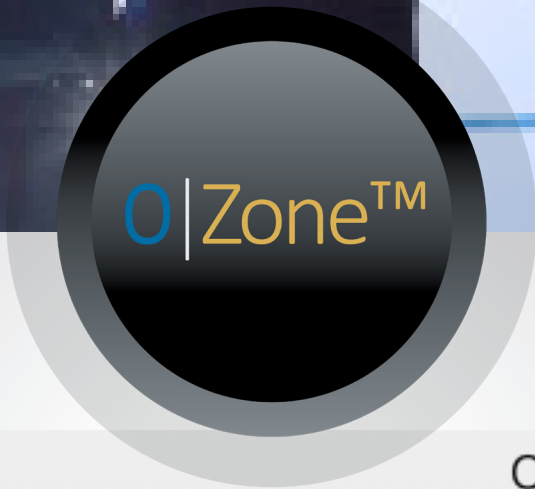
WHAT IS A DIGITAL MEDALLION?

A Digital Medallion represents a concession to operate within a specific geographic area under an O|Zone™ Initiative, establishing and enforcing Initiative parameters, guidelines, requirements and revenue sharing.

Digital Medallion Concession. Concession is granted by applicable Government Authority to undertake activities within a framework and series of initiatives adopted by Government Authority (the “O|Zone™ Initiatives”).

Digital Medallion Issuance. Issuance of Digital Medallions with regard to an Opportunity involves payment of a concession fee and a series of periodic payments for the term of Digital Medallions. Upon issuance, a Digital Medallion is lodged with Government Authority’s Indenture Trustee, protected under an applicable Initiative Trust Estate, with appropriate UCC and other security interests.

Digital Medallion Hierarchy. Additional Digital Medallions may be issued by Government Authority related to an Opportunity, each participating in activities related to said Opportunity. Rights and ownership of Digital Medallions may be held solely and among many, subject to applicable law and regulations.



Opportunity

An Opportunity is a business or initiative operating under Digital Medallions issued by an applicable Government Authority. These organizations use a component optimization approach.

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