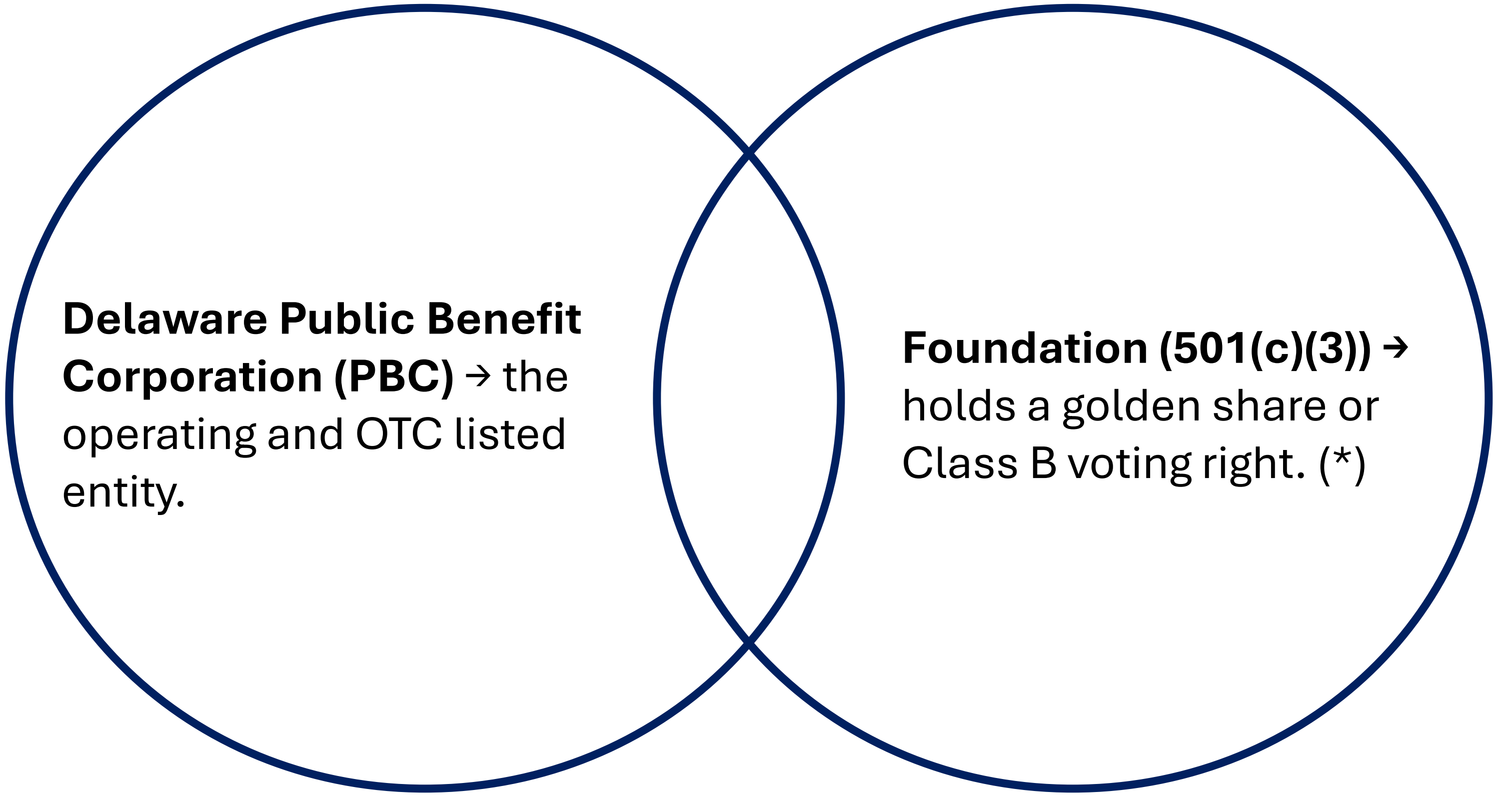
TU TECHO SPAIN

Draft Version for Review # 1

TU TECHO USA



* **Foundation owns Golden Share or Class B voting right:** Mission changes Major asset disposals Mergers or liquidation decisions
Foundation can get the benefits of government for the operation and pass through it to the PBC as government backed inflows
This government backed inflows makes the stock more appealing as those can be partially passed through the stockholders.

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MARKET LIQUIDITY IN IPO:

Liquidity statement (in IPO prospectus):

“Liquidity is provided exclusively through secondary trading among investors in the open market. The Company will not provide redemptions, buybacks, or guarantees of liquidity. Share price is determined solely by market supply and demand.”

If you buy, you hold until you sell to another investor — just like in the early days of the stock market. No redemptions. No forced sales. No redemption queues.

HOW 1/3: TU TECHO ES = TU TECHO USA

Problem	TU TECHO Style PBC &: Foundation solution
Investors want quick exits	Market trading only → no liquidity pressure on assets
Overvaluation risk	Assets marked conservatively by independent appraisers
Mission drift	Golden vote foundation veto
Forced liquidation in crisis	No redemption obligation → properties remain stable
Short-termism	Mission charter + long-term dividend yield orientation (Pass Through from government benefits only)

The Spain model TUTECHO.ES can be deployed in the USA. The NYSE Public Benefit Corporation can be listed with specific and CAPS liquidity and with a golden share or Class B Voting Right. It could attract long term socially sensible investors via the state and cities government backed pass through yield.

HOW 2/3: STEPS

Milestone	STEP
Incorporate in Delaware	Market trading only → no liquidity pressure on assets
Setup Foundation with Golden Vote	Locks Mission
Financials	Prepare **management-prepared financials or projections** (can be internally compiled, then reviewed by CPA).
File	OTCQB Venture Application + Reg A+ if raising capital → allows trading without full 2-year audited financials.
Clearly Disclose	Company has no prior revenue. All financials are projections Risks of early-stage investing. Liquidity provided by investors.

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HOW 3/3: TAX and STATE PLANNING VEHICLE

TUTECHO USA PBC Stock

Collateral assignment life insurance structure

Insurance Co get the premiums and Stocks when Investor dies

Investor set up an irrevocable trust that pays the delta of PBC stock to Insurance company and rest to the heirs

- **Estate & Tax Optimization:** Life insurance held in an ILIT provides death benefits that are excluded from the taxable estate, ensuring heirs receive the proceeds income- and estate-tax free, effectively shielding $20–25M+ from federal estate taxes.
- **Mission-Aligned Investment:** Investor retains economic exposure and voting rights in the PBC, preserving the social housing mission while investing significant capital.
- **Guaranteed Policy Funding:** Collateral assignment of PBC stock plus a supplemental trust backstop ensures premiums are fully covered, protecting both insurer and investor from stock volatility or cash-flow shortfalls.

Flow Diagram: PBC Stock Collateral for Life Insurance with Estate/Tax Protection

csharp   Copy code

```csharp
[Investor]
   |
   | Buys $10M PBC stock → Economic exposure & upside
   |
   ▼
[PBC Stock]
   |
   | Collateral Assignment
   ▼
[Insurance Company]
   |
   | Issues Whole/Universal Life Policy
   | Face Value: ~$20-25M
   | Premiums Paid by:
   |   • Cash inflows/dividends from PBC
   |   • Backstop from Supplemental Trust if shortfall
   ▼
[ILIT (Irrevocable Life Insurance Trust)]
   |
   | Owns policy → Death benefit excluded from estate
   |
   ▼
[Beneficiaries]
   |
   | Receive death benefit tax-free
   |
   ▼
[Supplemental Irrevocable Trust ($15M)]
   |
   | Commitment to insurer:
   |   • Covers any delta if PBC inflows < premiums
   |   • Covers market value shortfall of pledged stock at death
   |
   ▼
[Insurance Company Guaranteed Payment]
```

- Any stocks surplus are returned to the PBC company

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