

## 5.9 Tax Deeds

### 1. Preliminary Actions

- ❑ A. Identification of Tax Deed Properties: Select properties with tax deeds that are suitable for tokenization, considering their location, value, and legal status.
- ❑ B. Legal Due Diligence: Ensure the tax deeds are legally sound and the ownership transfer process complies with local and state laws.
- ❑ C. Property Valuation: Conduct a thorough appraisal of the property's market value.
- ❑ D. Risk Assessment: Evaluate risks related to property condition, market fluctuations, and legal challenges.

*Responsibility: Tax Deed Holder or Managing Entity*

### 2. Creation of Tokenization Whitepaper

Develop a detailed whitepaper outlining the tokenization project, including specifics of the tax deed properties, token structure, rights of token holders, risk factors, and legal considerations.

*Responsibility: Team HYFI*

### **3. Establishment of Legal Structure**

- ❑ A. Legal Entity Setup: Form a legal entity, such as a trust or special purpose vehicle (SPV), to hold and manage the tax deed properties.
- ❑ B. Token Holder Relationship: Define the legal terms between this entity and token holders, particularly regarding property rights and profit distribution.

*Responsibility: Tax Deed Holder or Managing Entity*

### **4. AMA (Ask Me Anything) Session with Core Team**

Host an interactive session for potential investors to engage with the project team and ask detailed questions about the tax deed properties.

*Responsibility: Team HYFI and Tax Deed Holder/Managing Entity*

### **5. Tokenization Process**

- ❑ A. Token Development: Create tokens representing fractional ownership or investment in the tax deed properties on suitable blockchains like HYFI, Ethereum, Binance, or Polygon.

- ❑ B. Token Valuation: Decide on the total number of tokens and their individual value based on the property valuation.
- ❑ C. Smart Contract Implementation: Set up smart contracts to manage ownership, transfers, and profit distribution.
- ❑ D. Distribution Strategy: Plan for the distribution of tokens, including private sales, public offerings, and investor categories.
- ❑ E. Listing on Marketplaces: Make the tokens available on the HYFI Asset Marketplace and digital asset exchanges.

*Responsibility: Team HYFI (Costs covered by Tax Deed Holder/Managing Entity)*

## **6. Marketing and Promotion**

Develop and implement a marketing strategy to attract investors, using appropriate channels to reach a targeted audience.

*Responsibility: Team HYFI (Costs covered by Tax Deed Holder/Managing Entity)*

## **7. Token Sale Launch**

Conduct the token sale, ensuring a transparent and compliant process.

*Responsibility: Team HYFI*

## **8. Post-Sale Management and Reporting**

Manage the tokens post-sale and provide regular updates to token holders on property status, management, and any revenue generated.

*Responsibility: Team HYFI (Training provided to Tax Deed Holder/Managing Entity's team)*

## **9. Secondary Market Facilitation**

Assist in facilitating the trading of tokens on secondary markets for liquidity and investor flexibility.

*Responsibility: Team HYFI (Training provided to Tax Deed Holder/Managing Entity's team)*

## **10. Ongoing Compliance and Property Management**

- A. Legal and Regulatory Compliance: Ensure ongoing adherence to property and tax laws.

- ❑ B. Property Management and Distribution: Oversee the management of the properties and distribute any profits or returns to token holders.

*Responsibility: Tax Deed Holder or Managing Entity*