



Private Placement Memorandum

CONTACT INFORMATION

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Definition And Important Considerations

This Rule 506(c) Confidential Private Placement Memorandum (this “Offering Memorandum”) relates to the offer and sale (the “Offering”) of C-Corporation company equity Shares (the “Class A Shares”) in H-Space, a C-Corporation formed under the laws of the State of Delaware on 9/1/2021 (the “Company”). The minimum amount a subscriber must purchase is \$250,000. Sales of Class A Shares in this Offering will be made only to “Accredited Investors” as that term is defined under Regulation D of the Securities Act of 1933, as amended (the “Securities Act”).

The Company was founded Tony V. Summers, the Chief Executive Officer (C.E.O.) of the Company (“C.E.O.”) for the purpose of owning and operating a Software Application Product and Related Offerings (the “Software”) located at 900 Millennial Drive, Chandler, AZ 85888. The Company intends to use the proceeds of this Offering for: (i) Legal/Professional Services; (ii) Working Capital; and (iii) Web/App/Platform Digital Development.

The Class A Shares will be offered through an online capital raising platform (the “Funding Platform”). The Company may consider supplemental capital raising platforms in the future; therefore, it may cross-list the Offering on other Funding Platforms as determined by the C.E.O. in his sole discretion. Subject to any restrictions under applicable law, the C.E.O., by and through the Funding Platform, will market and promote the Class A Shares in this Offering to prospective investors on a best-efforts basis, coordinate the delivery and receipt of subscription agreements and related materials from subscribers, transmit or direct the transmission of funds from subscribers, and verify that subscribers are Accredited Investors.

There can be no assurance that all or any of the Class A Shares available in this Offering will be subscribed. This Offering will end no later than 3/1/2022 (the “Offering End Date”). If the Company receives and accepts subscriptions for all Class A Shares prior to the Offering End Date, this Offering will end on or about the date that the Company accepts subscriptions for all such Class A Shares. Proceeds from subscriptions for Class A Shares in this Offering will be deposited in a segregated bank account (the “Offering Account”). The Company reserves the right to cancel or modify this Offering, reject subscriptions for Class A Shares in whole or in part, and waive conditions to the purchase of Class A Shares, subject in all events to the requirements of applicable law.

There is no public market for the Class A Shares, and there are substantial restrictions on transfers of the Class A Shares. Investors may not be able to liquidate their investment freely or at all and should be able to bear the risk of an investment in the Company for an indefinite period. Neither the Securities and Exchange Commission (the “S.E.C.”) nor any state securities commission or other regulatory body has approved or disapproved the Class A Shares or passed upon or endorsed the merits of this offering or confirmed the accuracy or determined the adequacy of this offering memorandum. Any representation to the contrary is a criminal offense. An investment in the Class A Shares involves a high degree of risk that may not be suitable for all persons. Only those investors who are accredited investors as defined under Regulation D of the Securities Act and who can bear the loss of their entire investment should participate in this investment. See “Risk Factors” below for further information.

The effective date of this memorandum is 9/1/21.

Investor Considerations

You are urged to read this Offering Memorandum carefully. This Offering Memorandum is not all inclusive and does not contain all the information you may need or desire to consider whether to invest in the Company. In this Offering Memorandum, "H-Space," "Company," "we," "our," and "us" refer to H-Space, a Delaware C-Corporation, and its C.E.O., employees, and authorized agents. "You" refers to the recipient of this Offering Memorandum.

You must conduct and rely on your own evaluation of the Company and of the terms of this Offering, including the merits and risks involved in making a decision to invest in the Company. You and your legal, financial and tax advisors, if any, may, at any time prior to the purchase of the Class A Shares described in this Offering Memorandum, ask questions of and receive answers from a person or person acting on behalf of the Company concerning the terms and conditions of this Offering, and obtain any additional information (including information made available to other investors), to the extent the Company possesses it or can acquire it without unreasonable effort or expense, which may be necessary to verify the accuracy of the information in this Offering Memorandum or to answer any other questions or concerns you or your advisors may have regarding a potential investment in the Class A Shares or the business, or the financial condition or results of operations of the Company. If any, you and your advisors will be asked to acknowledge in the subscription agreement that you were given the opportunity to obtain additional information and that you did so or elected to waive that opportunity. Also, the Company may require you to sign a separate confidentiality agreement if you wish to receive additional information concerning the Company that is deemed to be proprietary.

No representations or warranties of any kind are intended, nor should any be inferred with respect to the economic viability of an investment in the Class A Shares available in this Offering or with respect to any benefits that may accrue to an investment in the Company. The Company does not in any way represent, guarantee, or warrant an economic gain or profit with regard to the Company's business or that favorable income tax consequences will flow therefrom. The Company does not in any way represent or warrant the advisability of purchasing the Class A Shares.

You should not consider or construe the contents of this Offering Memorandum as legal, business, or tax advice. Prior to making a decision to purchase the Class A Shares in this Offering, you should carefully review and consider this Offering Memorandum and should consult your own legal, financial and tax advisors as to investment, legal, business, and tax related matters concerning this Offering. In particular, you should read the "Risk Factors" section of this Offering Memorandum.

Restrictions On Use Of This Offering Memorandum

This Offering Memorandum is provided to you on a confidential basis to allow you to evaluate a possible investment in the Company's Class A Shares. By accepting delivery of this Offering Memorandum, the recipient agrees to return this Offering Memorandum, all enclosed or attached documents and all other documents, if any, provided in connection with this Offering if the recipient does not undertake to purchase any of the Class A Shares offered hereby. This Offering Memorandum is furnished for the sole use of the recipient and for the sole purpose of providing information regarding the offer and sale of the Company's Class A Shares. The Company has not authorized any other use of this information. Any distribution of this Offering Memorandum to a person other than the intended recipient and any reproduction of this Offering Memorandum or the divulgence of any of its contents, without the prior written consent of the C.E.O. in each instance, is prohibited.

Exclusive Nature Of Private Placement Memorandum

The delivery of this Offering Memorandum does not constitute an offer in any jurisdiction to any person to whom such offer would be unlawful in such jurisdiction or to any person who is not an Accredited Investor. You should rely only on the information contained in this Offering Memorandum. The information contained in this Offering Memorandum supersedes any other information provided to potential investors. The Company has not authorized any person to provide any information or to make any representations or warranties except to the extent contained in this Offering Memorandum. If any such information, representations or warranties are purported to be given or made, such information, representations and warranties must not be relied upon as having been authorized by the Company. This Offering Memorandum is not an offer to sell, nor is it seeking an offer to buy Class A Shares of the Company in any state where the offer or sale is not permitted.

Restricted Securities

The Restricted Securities The Class A Shares available in this Offering have not been registered under the Securities Act but are being offered and sold in reliance on the private placement exemption under Section 4(a)(2) of the Securities Act and/or Rule 506(c) of Regulation D promulgated thereunder as well as applicable state securities laws. Neither the S.E.C. nor any state securities commission or other regulatory body has approved or disapproved the Class A Shares available in this Offering, or passed upon or endorsed the merits of this Offering or confirmed the accuracy or determined the adequacy of this Offering Memorandum. Any representation to the contrary is a criminal offense.

No public market currently exists for the Class A Shares and there is no expectation or guarantee that such a market will ever develop. Moreover, the Class A Shares offered and sold in connection with this Offering will be "restricted securities" for federal and state securities laws purposes, and each investor who purchases such Class A Shares must do so for the investor's own account for investment purposes only. Rule 144 under the Securities Act will not allow you to resell the Company's Class A Shares for one full year after purchase. Thereafter, non-affiliate members may resell their Class A Shares without complying with Rule 144. Affiliates

will have to comply with the Rule 144 resale requirements, including certain volume limitations, current public information, manner of sale, and Form 144 filing requirements. In all events, the Class A Shares may not be sold, pledged, hypothecated, or otherwise transferred without registration under the Securities Act and registration and qualification under applicable state securities laws unless an exemption from such registration is available, as confirmed by a written opinion of counsel satisfactory to the Company C.E.O. and its counsel. The Class A Shares sold pursuant to this Offering will not be certificated.

Forward-Looking Statements

Certain statements in this Offering Memorandum constitute "forward-looking statements" within the meaning of Section 27A of the Securities Act, Section 21E of the Exchange Act, and the Private Securities Litigation Reform Act of 1995. These statements relate to our future prospects, developments, business strategies and results. All statements in this Offering Memorandum, including any exhibits, appendices and attachments hereto, that address expectations or projections about the future, including statements about the market position, expected revenues or expenditures, and financial results, are forward-looking statements. Some of the forward looking statements may be identified by words like "believes," "expects," "anticipates," "plans," "intends," "projects," "estimates," "indicates," "hopes," "will," "shall," "should," "could," "may," "future," "potential," or the negatives of these words, and all similar expressions. Any statements contained herein that are not statements of historical fact may be deemed to be forward-looking statements. These statements are not guarantees of future performance and involve a number of risks, uncertainties, and assumptions relating to our operations and business environment, all of which are difficult to predict and many of which are beyond our control. Accordingly, actual results or performance of the Company may differ significantly, positively or negatively, from forward looking statements made herein. Unanticipated events and circumstances are likely to occur. Factors that might cause such differences include, but are not limited to, those discussed in this Offering Memorandum under the heading "Risk Factors," which investors should carefully review and consider. This list of factors is not exclusive. The Company cautions you not to put undue reliance on any forward-looking statements, which speak only as of the date of this Offering Memorandum. The Company undertakes no obligation to update or revise any forward-looking statements to reflect future events or circumstances or otherwise.

Industry And Market Data

The opinions, estimates, and projections and other forward looking statements contained in this Offering Memorandum, as well as industry and market data and certain other information used throughout this Offering Memorandum are derived from a variety of sources, including independent industry publications, government publications or other published independent sources, which the Company did not participate in preparing. In particular, the Company has used information that includes trade organizations related to the Housing Industry, publicly-funded Homelessness Data, and other third party housing industry participants, which may present information in a manner that is more favorable to that industry than would be presented by an independent source. Although the Company has not independently verified the accuracy or completeness of the third-party information included in this Offering Memorandum, based on management's knowledge and experience, the Company believes that these third-party sources are credible and reliable. However, the Company makes no representations or guarantees as to their accuracy or completeness. Investors are cautioned not to place undue reliance on such market and industry data, estimates, projections, and opinions, which may be based on numerous assumptions and subject to change based on various factors, including those discussed under the "Risk Factors" section of this Offering Memorandum.

Offering Summary

This summary highlights the information contained elsewhere in this Offering Memorandum. Because this is only a summary, it does not contain all the information that may be important to you. For a complete understanding of this Offering, you are encouraged to read this entire Offering Memorandum and the documents to which are referred and ask us questions about anything you do not fully understand. You should read the following Offering Memorandum together with the more detailed information and projected financial statements and the notes to those statements appearing as exhibits to this Offering Memorandum.

Business Summary

H-Space offers a “Multi-Sided Marketplace” type software application model that matches low-income renters with organizations, nonprofits, government agencies, and NGOs to ensure that an adequate property can be found for the renter who might otherwise become (or stay) homeless. All onboarding costs are free to all users: renters, organizations, organization employees, realtors, etc. H-Space revenue is generated only after the closing of the final lease through 5% commission from the lease payment to the landlord – a payment that will often come directly from the nonprofit organization.

Currently, there are no direct or indirect competitors relative what H-Space offers. This is the first time a software product has been introduced that pays off as a function of having helped close a lease for an individual seeking a low-income rental agreement.

Investment Summary

Item	Value
Securities Offered	Class A Shares
Offering Amount	The Company is raising a minimum of \$16,000,000 USD (the “Release Amount”) and a maximum of \$28,000,000 USD (the “Offering Amount”).
Minimum Purchase Amount	\$250,000
Share Price	\$2.00 per share (resulting in 8,000,000 shares issued for Release Amount and 14,000,000 issued for Offering Amount).
Outstanding Shares after Offering	54,500,000
Use of Offering Proceeds	The Offering proceeds will be used for (i) Legal/Professional Fees; (ii) Working Capital; (iii) Web/App/Platform Dvlpmnt and (iv) pay for the costs and expenses associated with this Offering.
Investor Qualifications	“Accredited Investors” only who meet certain requirements and can make certain representations as further set forth in the Subscription Agreement.
Accredited Investor Verification	<p>Pursuant to Rule 506(c) of Regulation D, the “Accredited Investor” status of subscribers in this Offering will be verified via the Funding Platform in one of three ways:</p> <ul style="list-style-type: none"> • First, based on income. • Second, based on net worth. • Third, based on written confirmation from a third-party. <p>The C.E.O. may request other information or implement other procedures to verify your status as an Accredited Investor for purposes of Rule 506(c). In all events, your subscription will not be accepted by the Company unless and until your status as an Accredited Investor has been verified.</p>
Distribution of Securities	The Company may offer this investment by any means of “general solicitation” without having a prior relationship with you and others, so long as all of the subscribers in this Offering adequately document and verify that they are Accredited Investors, and the Company otherwise complies with the other requirements of Rule 506(c).
Offering Period	This Offering will end no later than 3/1/2022. If the Company sells the total Offering Amount prior to the Offering End Date, this Offering will end on or about such date. The Company reserves the right to cancel or modify this Offering and reject subscriptions for Class A Shares in whole or part.
Professional Counsel	The Company is receiving limited third-party counsel associated with the construction of this offering; however, this counsel in no way represents or owes any duty to any of the existing or future shareholders in connection with such counsel.

Investor Qualifications

Investor Suitability

The Class A Shares available in this Offering have not been and will not be registered under the Securities Act or registered or qualified under any state securities law. The offer and sale of the Class A Shares are being made in reliance on the private placement exemption under Section 4(a)(2) of the Securities Act and Rule 506(c) of Regulation D thereunder only to Accredited Investors. Accordingly, distribution of this Offering Memorandum has been strictly limited to prospective investors who purport to meet the requirements of an Accredited Investor and make the representations set forth below. We reserve the right to declare any prospective investor ineligible to purchase Class A Shares in this Offering based on any information that may become known or available to us concerning the suitability of such prospective investor or for any other reason.

An investment in the Class A Shares involves substantial risks. The Company, its business, and the subscriber's investment in us will be subject to numerous investment, business, operating, and other risks, many of which will be beyond the control of the Company or the C.E.O. An investment in the Class A Shares is suitable only for persons who are accredited investors and who, among other things, (1) have adequate means of providing for their current financial needs and possible contingencies, (2) desire a relatively long-term investment, (3) have no need for liquidity from their investment, and (4) have the financial ability to bear the high degree of economic risk of this investment, including, but not limited to, the possibility of complete loss of their entire investment. Persons who meet these standards and desire to diversify their investment portfolios with a real estate-based investment, with a desire to preserve capital, obtain the benefits of potential capital appreciation, and the potential to receive current income, and who are able to hold their investment indefinitely are most likely to benefit from an investment in the Class A Shares. On the other hand, the Company cautions persons who require immediate liquidity or guaranteed income or seek a short-term investment not to consider an investment in the Class A Shares.

In consideration of these factors, Class A Shares will be sold only to prospective investors who (i) subscribe for a minimum investment of \$50,000 in Class A Shares; and (ii) represent in writing that they meet the investor suitability requirements established by us and as may be required under state and federal law.

Pursuant to the Subscription Agreement, you must represent and warrant in writing, among other things, as follows:

- You have received, read and fully understand this Offering Memorandum and all exhibits, appendices and attachments hereto. You are basing your decision to invest on this Offering Memorandum and all exhibits, appendices and attachments hereto. You have relied solely on the information contained in such materials and have not relied upon any representations made elsewhere or by any other person;
- You understand that an investment in the Class A Shares is highly speculative and involves substantial risks and you have been informed of and understand the risk factors relating to an investment in the Class A Shares, including, but not limited to, those risks set forth in the "Risk Factors" section of this Offering Memorandum and other factors that may cause the actual results and future financial condition of the Company to differ significantly from the historical financial condition and results and/or projections reflected in any forward looking statements set forth in this Offering Memorandum, particularly as the Company is engaged in a highly competitive industry;
- Your overall commitment to investments that are not readily marketable is not disproportionate to your individual net worth, and your investment in the Class A Shares will not cause such overall commitment to become excessive;
- You have adequate means of providing for your current financial needs and possible contingencies and have no need for liquidity in

this investment;

- You have the financial ability to bear the high degree of economic risk of this investment, including, but not limited to, the possibility of the complete loss of your entire investment in the Class A Shares;
- You are the sole and true party in interest, are purchasing the Class A Shares available in this Offering for your own account and for investment purposes only, have no present intention of or view to acquiring, holding or managing the Class A Shares for or with others or of selling, distributing or otherwise disposing of all or any portion of, or any interest in the Class A Shares;
- You understand that the Class A Shares available in this Offering have not been and will not be registered under the Securities Act or registered or qualified under any state securities laws, that the Company is offering and selling the Class A Shares in this Offering in reliance on the private placement exemption under Section 4(a)(2) of the Securities Act and Rule 506(c) of Regulation D thereunder, and, as a result, the Class A Shares available in this Offering are "restricted securities" under the Securities Act and are subject to restrictions on transfer; and
- You have such knowledge and experience in financial and business matters that you are capable of evaluating the merits and risks of an investment in the Class A Shares, of making an informed investment decision with respect thereto, and of protecting your interests in connection with such investment.

Accredited Investor Status

As a prospective investor, you will also be required to make representations and warranties that will enable the C.E.O. to determine whether you are an Accredited investor. A subscriber who meets one of the following tests will qualify as an "Accredited Investor":

1. A natural person who had an individual income in excess of \$200,000 in each of the two (2) most recent years, or joint income with the subscriber's spouse in excess of \$300,000 in each of those years, and the subscriber has a reasonable expectation of reaching the same income level in the current year; or
2. An individual whose individual net worth, or joint net worth with the subscriber's spouse, at the time of the subscriber's purchase of the Class A Shares in this Offering, is in excess of \$1,000,000. (Note: For purposes of calculating net worth: (1) the subscriber's primary residence shall not be included as an asset; (2) indebtedness that is secured by the subscriber's primary residence, up to the estimated fair market value of such primary residence at the time of the sale of Class A Shares in this Offering to the subscriber, shall not be included as a liability (except that if the amount of such indebtedness outstanding at the time of the sale of the Class A Shares in this Offering to the subscriber exceeds the amount outstanding 60 days before such time, other than as a result of the acquisition of the subscriber's primary residence, the amount of such excess shall be included as a liability); and (3) indebtedness that is secured by the subscriber's primary residence in excess of the fair market value of such residence at the time of the sale of the Class A Shares in this Offering to the subscriber shall be included as a liability);
3. An organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code"), corporation, Massachusetts or similar business trust, or partnership, not formed for the specific purpose of acquiring the Class A Shares in this Offering, with total assets in excess of \$5,000,000;
4. A private business development company as defined in Section 202(a)(22) of the Investment Advisors Act of 1940;
5. A trust, with total assets in excess of \$5,000,000, not formed for the specific purpose of acquiring the Class A Shares in this Offering, whose purchase is directed by a person who has such knowledge and experience in financial and business matters that he or she is capable of evaluating the merits and risks of the investment;
6. A bank as defined in Section 3(a)(2) of the Securities Act, or a savings and loan association or other institution as defined in

- Section 3(a)(5)(A) of the Securities Act whether acting in an individual or fiduciary capacity.
7. A broker or dealer registered pursuant to Section 15 of the Exchange Act.
 8. An insurance company as defined in Section 2(a)(13) of the Securities Act.
 9. An investment company registered under the Investment Company Act of 1940, or a business development company as defined in Section 2(a)(48) of the Investment Company Act of 1940.
 10. A Small Business Investment Company licensed by the U.S. Small Business Administration under Section 301(c) or (d) of the Small Business Investment Act of 1958.
 11. A plan established and maintained by a state of the United States of America, its political subdivisions, or any agency or instrumentality of a state of the United States of America or its political subdivisions, for the benefit of its employees that has total assets in excess of \$5,000,000.
 12. An employee benefit plan within the meaning of the Employee Retirement Income Security Act of 1974, as amended ("E.R.I.S.A.") if the investment decision is made by a plan fiduciary, as defined in Section 3(21) of E.R.I.S.A., which is either a bank, savings and loan association, insurance company or registered investment advisor, or, if the employee benefit plan has total assets in excess of \$5,000,000, or, if a self-directed plan, with investment decisions made solely by persons that are accredited investors.
 13. An entity in which all of the equity owners are accredited investors as defined by any of the above categories. (Note: If this category applies, the subscriber may be required to list all of the entity's equity owners and their written certifications that they are each accredited investors, identifying the category of accredited investor for each such owner).

In addition, pursuant to the S.E.C.'s interpretation of Rule 501(a)(8) of Regulation D, revocable grantor trusts whose grantor satisfies one of the requirements set forth in clauses (i) or (ii) above are also deemed to be accredited investors though not directly included within the definition of "Accredited Investor" under Regulation D. Any other circumstance requires approval by our legal counsel before a trust can be accepted as an accredited investor.

If you are not an Accredited Investor or are otherwise unable or unwilling to make the foregoing representations and warranties, or any others set forth in the Subscription Agreement, you may not purchase any Class A Shares in this Offering.

Discretion In Acceptance Of Subscriptions

The investor suitability requirements stated above represent minimum suitability requirements, as established by us from time to time. Your satisfaction of such requirements does not necessarily mean that the Class A Shares available in this Offering are a suitable investment for you, or that the Company will accept your subscription for any Class A Shares. Furthermore, the C.E.O. of the Company may modify such requirements, in the C.E.O.'s sole discretion, from time to time, and any such modification may increase the suitability requirements for certain investors.

The written representations made by subscribers will be reviewed to determine the suitability of each potential investor, and the C.E.O. will have the right to refuse a subscription for any Class A Shares in this Offering for any reason, including without limitation if, in the C.E.O.'s sole discretion, the C.E.O. believes that a subscriber does not meet the applicable investor suitability requirements.

Restrictions Imposed By The Patriot And Related Acts

Restrictions Imposed by the Patriot and Related Acts The Class A Shares available in this Offering may not be offered, sold, transferred or delivered, directly or indirectly, to any “unacceptable investor.” For purposes of this Offering Memorandum, an “unacceptable investor” means any of the following:

- A person or entity who is a “designated national,” “specially designated national,” “specially designated terrorist,” “specially designated global terrorist,” “foreign terrorist organization,” or “blocked person” within the definitions set forth in the Foreign Assets Control Regulations of the U.S. Treasury Department.
- A person acting on behalf of, or any entity owned or controlled by, any government against whom the United States maintains economic sanctions or embargoes under the Regulations of the U.S. Treasury Department.
- A person or entity within the scope of Executive Order 13224-Blocking Property and Prohibiting Transactions with Persons who Commit, Threaten to Commit, or Support Terrorism, effective September 24, 2001.
- A person or entity subject to additional restrictions imposed by any of the following statutes or regulations and executive orders issued thereunder: the Trading with the Enemy Act; the Iraq Sanctions Act; the National Emergencies Act; the Antiterrorism and Effective Death Penalty Act of 1996; the International Emergency Economic Powers Act; the United Nations Participation Act; the International Security and Development Cooperation Act; the Nuclear Proliferation Prevention Act of 1994; the Foreign Narcotics Kingpin Designation Act; the Iran and Libya Sanctions Act of 1996; the Cuban Democracy Act; the Cuban Liberty and Democratic Solidarity Act; and the Foreign Operations, Export Financing and Related Programs Appropriations Act or any other law of similar import as to any non-U.S. country, as each such act or law has been or may be amended, adjusted, modified or reviewed from time to time.
- A person or entity designated or blocked, associated or involved in terrorism, or subject to restrictions under laws, regulations, or executive orders as may apply in the future similar to those set forth above.

The purchase of Class A Shares in this Offering involves substantial risk, and the investment is suitable only for persons with the financial capability to make and hold long-term investments not readily converted into cash. An investment in the Class A Shares is very risky. You should carefully consider the following risk factors in addition to the remainder of this Offering Memorandum before purchasing any Class A Shares. This Offering Memorandum contains forward-looking statements that involve risks and uncertainties. Many factors, including those described below and others not listed, may cause actual results to differ materially from anticipated results.

Risks Related To This Offering

If the Company fails to sell the Release Amount, this Offering will fail and your investment will be returned to you without interest or any deduction, penalty or expense. If the Company does not receive subscriptions for \$16,000,000 by the Offering End Date, the Company cannot close this Offering and must return Offering proceeds to subscribers without interest thereon. From the date you deliver funds to the Offering Account, you will earn no interest or other return on such funds.

Subscribers will not be allowed to withdraw their Subscription Price, which means that you should invest only if you are willing to have your Subscription Price unavailable to you for an indefinite period of time. Once you deliver funds to the Offering Account, you will not be able to withdraw those funds for any reason, absent a rescission offer tendered by the Company. We do not anticipate making a rescission offer. You should only subscribe for Class A Shares in this Offering if you are willing to have your investment be unavailable for an indefinite period of time. Suppose this Offering succeeds, and the Company receive your Subscription Price and convert that into Class A Shares of the Company. In that case, your investment will be denominated in our Class A Shares until you transfer those interests. There are significant transfer restrictions on the Class A Shares.

There is a lack of a Firm Underwriter. The Units are offered on a "best efforts" basis by the officers and directors of the Company without compensation and on a "best efforts" basis through certain F.I.N.R.A. registered broker-dealers which enter into Participating Broker-Dealer Agreements with the Company. Accordingly, there is no assurance that the Company, or any F.I.N.R.A. broker-dealer, will sell the maximum Units offered or any lesser amount.

The Company's C.E.O. has discretion in the use of the Offering proceeds and may not use them effectively. The Company's C.E.O. will have discretion in the application of the Offering proceeds, including for the purposes described in the "Use of Proceeds" section of this Offering Memorandum, and you will not have the opportunity as part of your investment decision to assess whether the Offering proceeds are being used appropriately. Because of the number and variability of factors that will determine the use of the proceeds from this Offering, their ultimate use may vary from the currently intended uses. The failure of the C.E.O. to apply these funds effectively could harm our business.

The Company is not experienced in offering or selling securities. The C.E.O. has limited prior experience in offering or selling securities. Moreover, the Company has no firm commitment from any prospective buyer to purchase any Class A Shares in this Offering. There can be no assurance that this Offering will be successful.

This Offering is being made in reliance on certain exemptions from state and federal registration requirements, which may result in failure of this Offering. We do not plan to register this Offering or the Class A Shares with either the S.E.C. or any state securities commission. Rather, the Company will rely on the private offering exemptions from registration provided by Section 4(a)(2) of the Securities

ties Act and Rule 506(c) of Regulation D promulgated thereunder and applicable state exemptions or notice filing provisions related to private offerings. Under Rule 506(c), issuers can offer securities through means of general advertising and solicitation provided that certain limitations and other conditions in Regulation D are satisfied. These limitations and conditions may result in this Offering being unsuccessful. In addition, should the S.E.C. determine that this Offering was not in compliance with Rule 506(c), the Company could be forced to refund all purchases by investors, which could occur after the Company has broken escrow and spent some or all of the proceeds of this Offering. In such an event, you could lose some or all of your investment in the Company.

Interests may be purchased by the affiliates of the Company or other parties with a financial interest in the Offering. Interests may be purchased by the affiliates of the Company, or by other persons who will receive fees or other compensation or gain dependent upon the success of this Offering. Such purchases may be made at any time, and will be counted in determining whether the required minimum level of purchases has been met for the closing of the Offering.

Investors therefore should not expect that the sale of sufficient shares to reach the specified minimum, or in excess of that minimum, indicates that such sales have been made to investors who have no financial or other interest in the Offering, or who otherwise are exercising independent investment discretion.

The sale of the specified minimum, while necessary to the business operations of the Company, is not designed as a protection to investors, to indicate that their investment decision is shared by other unaffiliated investors. Because there may be substantial purchases by affiliates of the Company, or other persons who will receive fees or other compensation or gain dependent upon the success of the Offering, no individual investor should place any reliance on the sale of the specified minimum as an indication of the merits of this Offering. Each investor must make an independent investment decision as to the merits of this Offering.

Risks Related To The Company And Its Business

The Company has no operating history. Although the C.E.O. and the associated team have Financial Services and business experience, they have had no operating history. There is no assurance that they will be able to complete any of these actions or conduct the activities profitably.

There is uncertainty in future general economic conditions. The Company's financial success may be sensitive to adverse changes in general economic conditions in the United States, such as recession, inflation, unemployment, and interest rates. Such changing conditions could reduce demand in the marketplace for the Company's real estate assets. The Company has no control over these changes.

There is a possibility of fluctuations in operating results. The Company's operating results may fluctuate significantly from period to period as a result of a variety of factors, including purchasing patterns of customers, competitive pricing, debt service and principal reduction payments, and general economic conditions. Consequently, the Company's revenues may vary by quarter, and the Company's operating results may experience fluctuations.

There are risks related to future borrowing. If the Company incurs indebtedness, a portion of its cash flow will have to be dedicated to the payment of principal and interest on such indebtedness. Typical loan agreements also might contain restrictive covenants, which may impair the Company's operating flexibility. Such loan agreements would also provide for default under certain circumstances, such as failure to meet certain financial covenants. A default under a loan agreement could result in the loan becoming immediately due and payable and, if unpaid, a judgment in favor of such lender, which would be senior to the rights of owners of Membership Units of the Company. A judgment creditor would have the right to foreclose on any of the Company's assets resulting in a material adverse effect on the Company's business, operating results or financial condition.

There could be unanticipated obstacles related to the execution of the business plan. The Company's business plans may change. Some of the Company's potential business endeavors are capital intensive and may be subject to statutory or regulatory requirements. The Company's managing team ("Management") believes that the Company's chosen activities and strategies are achievable in light of current economic and legal conditions with the skills, background, and knowledge of the Company's principals and advisors. Management reserves the right to make significant modifications to the Company's stated strategies depending on future events.

There is a substantial degree of uncertainty in the business plan projections. The Management has prepared projections regarding the Company's anticipated financial performance. The Company's projections are hypothetical and based upon factors influencing the business of the Company. The projections are based on Management's best estimate of the probable results of operations of the Company, based on present circumstances, and have not been reviewed by any independent accountants. These projections are based on several assumptions, set forth therein, which the Management believes are reasonable. Some assumptions upon which the projections are based, however, invariably will not materialize due to the inevitable occurrence of unanticipated events and circumstances beyond Management's control. Therefore, the actual results of operations will vary from the projections, and such variances may be material. Assumptions regarding future changes in sales and revenues are necessarily speculative in nature.

Management has discretion as to the Use of Funds. The net proceeds from this Offering will be used for the purposes described under "Use of Funds." The Company reserves the right to use the funds obtained from this Offering for other similar purposes not presently contemplated, which it deems to be in the Company and its Members' best interests to address changed circumstances or opportuni-

ties. As a result of the foregoing, the success of the Company will be substantially dependent upon the discretion and judgment of Management with respect to the application and allocation of the net proceeds of this Offering. Investors for the Membership Units offered hereby will be entrusting their funds to the Management, upon whose judgment and discretion the investors must depend. Governmental laws and regulations may add uncertainty, add unforeseen costs, or limit the Company's activities. The Company's operations are affected from time to time to a varying degree by governmental laws and regulations. The Company may be required to make significant capital expenditures to comply with governmental laws and regulations. It is also possible that these laws and regulations may in the future add significantly to the Company's operating costs or may significantly limit the Company's activities. H-Space is subject to extensive federal, state and local government regulation. H-Space operates its business in accordance with standards and procedures designed to comply with applicable housing codes and regulations, including but not limited to state housing laws and codes governing the offering and distribution of legal services plans to individuals and/or employers in applicable regulatory jurisdictions.

There is a substantial degree of intellectual property risk. H-Space is planning to devote appropriate resources to the protection of trademark and proprietary rights. However, the protective actions that the Company takes or elects not to take may not be enough to prevent unauthorized usage or imitation by others, which may cause the Company to incur significant litigation costs and could harm its image or its brand or competitive position.

The liability of H-Space's directors and officers is limited. The General Corporation Laws of the State of Delaware exclude personal liability of directors and officers for monetary damages for breach of fiduciary duty except in certain specified circumstances. Accordingly, the Company will have a much more limited right of action against our directors and officers than otherwise would be the case. This provision does not affect the liability of any directors or officers under federal or applicable state securities laws.

The Company provides for indemnification of officers and directors. The General Corporation Laws of the State of Delaware provides for the indemnification of directors, officers, employees, and agents, under certain circumstances, against attorney's fees and other expenses incurred by them in any litigation to which they become a party from their association with or activities on our behalf. The Company will also bear the expenses of such litigation for any of our directors, officers employees, or agents, upon such person's promise to repay the Company; therefore, if it is ultimately determined, any such person shall not have been entitled to indemnification. This indemnification policy could result in substantial expenditures by us.

It is possible that future equity-based financing will be required. Substantial capital is required to pursue the operating strategy. The Business Plan has forecast the required working capital (and other investments) to make the Company's operations self-sustaining and profitable. However, suppose future operating conditionals warrant additional working capital such that additional financing is required. In that case, it could be obtained through one or more transactions which effectively dilute the ownership interests of holders of Class A Shares. Further, there can be no assurances that we will be able to secure such additional financing.

Risks Related To The Class A Shares

There has been no independent valuation of the Class A Shares, which means that the Class A Shares may be worth less than the Subscription Price. We have determined the purchase price for the Interests available in this Offering without independent valuation of such Interests. The Company established the Release Amount and the Offering Amount based on estimating capital and expense requirements, not based on perceived market value, book value, or other established criteria. The Company did not obtain an independent appraisal opinion on the valuation of the Class A Shares. The Class A Shares may have a value significantly less than the price that you initially subscribe for and there is no guarantee that the Class A Shares will ever obtain a value equal to or greater than such amount.

No public trading market exists for the Class A Shares and the Company does not anticipate the creation of such a market, which means that it will be difficult for to liquidate this investment. There is currently no established public trading market for the Class A Shares and an active trading market is not expected to develop despite this Offering. To maintain partnership tax status, you may not trade the Class A Shares on an established securities market or readily trade the Class A Shares on a secondary market (or the substantial equivalent). The Company will not apply for listing of the Class A Shares on any national securities exchange or on the NASDAQ Stock Market. As a result, you will not be able to sell your Class A Shares readily.

The Company has placed significant restrictions on the transferability of the Class A Shares, limiting an investor's ability to withdraw from the Company. The Class A Shares are subject to substantial transfer restrictions pursuant to the Operating Agreement and may not be used as collateral for loans by third parties to the Class A Members. In addition, transfers of the Class A Shares may be restricted by state and federal securities laws. As a result, you may not be able to liquidate your investment in the Class A Shares and, therefore, may be required to assume the risks of investment in us for an indefinite period of time.

To help ensure that a secondary market does not develop, the Operating Agreement prohibits transfers, other than to certain related parties, without the approval of the C.E.O. The C.E.O. is not expected to approve transfers unless they fall within "safe harbors" contained in the publicly-traded partnership rules under the Code.

There can be no assurance that cash distributions will be made to Members. The Company is obligated to make cash distributions to the Members as determined by the C.E.O., but only to the extent of available operating cash flow or extraordinary cash flow, as described herein and in the Operating Agreement. The availability of sufficient cash flow will be affected by the company's results of operations, which may be adversely affected by changes in general economic conditions or local conditions, or other factors discussed in this Offering Memorandum. Also, the C.E.O. may determine to retain cash flows to provide operational reserves. Accordingly, there can be no assurance that cash will be available for distributions to Members and there can be no assurance that you will receive any return of your investment.

The Class A Shares will be subordinate to Company debts and other liabilities, resulting in a greater risk of loss for investors. The Class A Shares are unsecured equity interests ("at-risk" capital) and are subordinate in right of payment to all the Company's current and future debt, including the Commercial Loan. In the event of insolvency, liquidation, dissolution or other winding up of our affairs, all of the debts, including winding-up expenses, must be paid in full before any payment is made to the holders of the Class A Shares. In the event our bankruptcy, liquidation or reorganization, all Class A Shares will be paid ratably with all other equity holders. There is no assurance that there would be any remaining funds after the payment of all our debts for any distribution the holders of the Class A Shares.

The Company cannot advise you as to all of the pertinent tax consequences of an investment in the Class A Shares. The Company is organized as a limited liability company, a legal entity that has characteristics of a corporation and of a partnership. The Company has elected to be treated as a partnership for federal and state tax purposes. In general, a partnership does not pay tax on its income. However, the owners of a partnership are, in general, subject to tax on their respective shares of the entity's income whether or not they actually receive any distributions from the entity. Accordingly, it is possible that a Member may be required to pay taxes on income of the Company in an amount which exceeds the amount of cash, if any, actually distributed to such Member by the Company. If any, the ability to utilize losses of the Company to reduce income (or taxes on income) from other sources is not a significant feature of an investment in the Class A Shares. You should not consider such a tax benefit to be a material factor in evaluating the desirability of investing in the Class A Shares. You are urged to consult with your own tax adviser regarding the tax consequences applicable to you as a result of an investment in the Class A Shares. Tax risks will vary depending on current legislation, I.R.S. guidance, the individual investor's entity structure, and other factors.

The Offering And Terms

This Private Placement Offering represents participation in the Class A equity return associated with the operating entity, H-Space, based on a valuation of \$32.0MM (See “Use of Proceeds and Financial Forecast”), 12,000,000 shares are being offered with the following parameters on subscription interest:

\$ USD	Sales Price*	Est. Commissions	Proceeds to Company	Resulting No. of Shares	Ownership % Class A Equity
Unit Price	\$2.00	\$0.07	\$2.00	1	---
Maximum Proceeds	\$28,034,006	\$988,083	\$28,000,000	14,000,000	32.0%
Minimum Proceeds	\$15,767,321	\$525,389	\$16,000,000	8,000,000	21.2%

Description of Shares: The Company is offering a minimum of 8,000,000 and a maximum of 14,000,000 Shares at a price of \$2.00 per Share. Upon completion of the Offering, between 8,000,000 and 14,000,000 Shares will be issued. Minimum purchase amount is \$250,000. Upon completion of the Offering 54,500,000 Shares will be outstanding.

The Shares of ownership are equal in all respects, and upon completion of the Offering, the Shares will comprise the only representation of ownership that the Company will have issued and outstanding to date, upon close of the Offering. Each shareholder is entitled to one vote for each share held on each matter submitted to a vote of the shareholders. Shares are not redeemable and do not have conversion rights. The Shares currently outstanding are, and the Shares to be issued upon completion of this Offering will be, fully paid and non-assessable.

In the event of the dissolution, liquidation or winding up of the Company, the assets then legally available for distribution to the shareholders will be distributed ratably among such shareholders in proportion to their Shares.

Shareholders are only entitled to profit distributions proportionate to their Shares of ownership when and if declared by Management out of funds that are legally available. The Company to date has not given any such profit distributions. Future profit distribution policies are subject to the discretion of Management and will depend upon a number of factors, including among other things, the capital requirements and the financial condition of the Company.

Current Shareholders: The following table contains certain information as of September 1, 2021 as to the number of Shares beneficially owned by (i) each person known by the Company to own beneficially more than 5% of the Company's Shares, (ii) each person who is a Managing Officer of the Company, (iii) all persons as a group who are Directors and/or Officers of the Company, and as to the percentage of the outstanding Shares held by them on such dates and as adjusted to give effect to this Offering.

Name	Position	Current %
Tony V. Summers	CEO	55%
Donald Sekin	Managing Partner	45%

Investor Qualifications: Accredited Investors only meet certain requirements and can make certain representations as further outlined in the Subscription Agreement.

Pursuant to Rule 506(c) of Regulation D, The “accredited investor” status of subscribers in this Offering will be verified in one of three ways:

- First, based on income.
- Second, based on net worth.
- Third, based on written confirmation from a third-party.

The Manager may request other information or implement other procedures to verify your status as an Accredited Investor for purposes of Rule 506(c). In all events, your subscription will not be accepted by the Company unless and until your status as an Accredited Investor has been verified.

Distribution: The Company may offer this investment by any means of “general solicitation” without having a prior relationship with you and others, so long as all of the subscribers in this Offering adequately document and verify that they are Accredited Investors, and the Company otherwise complies with the other requirements of Rule 506(c).

The Funding Platform will (1) assist the Company in marketing and promoting the offer and sale of the Class A Shares in this Offering, on a best-efforts basis, (2) coordinate the delivery and receipt of subscription agreements and related materials from subscribers, and (3) transmit or direct the transmission of funds from subscribers, via wire transfer, A.C.H. or check, to the Offering Account.

Closing: Once the Company accepts subscriptions to purchase and receives funds totaling the Release Amount, the C.E.O. is authorized to conduct an initial closing and release the funds in the Offering Account from escrow. The Company may continue to solicit and accept subscriptions up to the total Offering Amount until the Offering End Date.

Use of Funds: The proceeds will be utilized for primarily:

1. Legal, Web/Application Development Services/Web/App Development
2. Recruiting Costs
3. Working Capital (Generally dominated by Customer Acquisition/Go-to-Market costs)

See “Use of Proceeds and Financial Forecast” Section for a more detailed itemization and breakout of these uses of funds.

Period: This Offering will end no later than 3/1/2022. If the Company sells the total Offering Amount prior to the Offering End Date, this Offering will end on or about such date. The Company reserves the right to cancel or modify this Offering and reject subscriptions for Class A Shares in whole or part.

Transfer Agent and Registrar: The Company will act as its own transfer agent and registrar for its Shares of ownership.

Litigation: The Company is not presently a party to any material litigation, nor to the knowledge of Management is any litigation threatened against the Company, which may materially affect the Company’s business or its assets.

Professional Counsel: The Company is receiving limited third-party counsel associated with the construction of this offering; however, this counsel in no way represents or owes any duty to any of the existing or future shareholders in connection with such counsel.

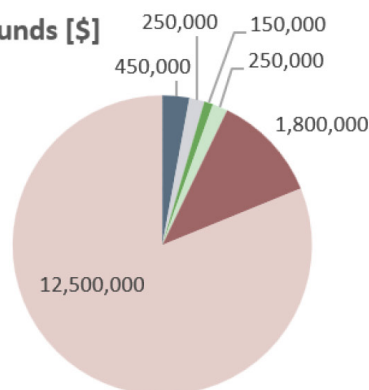
Use Of Proceeds, The Company, & Financial Forecast

Use Of Proceeds

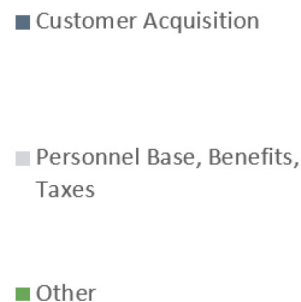
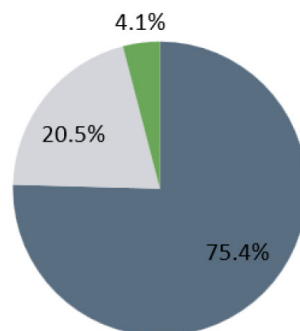
The table below itemizes the segments of uses of funds for the Company. The lion's share of the proceeds will be allocated toward Working Capital, with is dominated by sales and go-to-market (customer acquisition) activities.

Uses of Funds	\$ USD
Legal/Professional Fees	450,000
Platform/Web/App Development	250,000
Platform DevTools/Support/Infrastructure	150,000
Occupancy Startup and Misc. Startup	250,000
Recruitment Costs	1,800,000
Working Capital	12,500,000
Total	15,400,000

Uses of Funds [\$]



Working Capital Breakdown



The Company

The Business Plan: Portions of the H-Space Business Plan, included as a separate document, were prepared by the Company using a number of assumptions, including several forward looking statements. Each prospective investor should carefully review the Business Plan in association with this Memorandum before purchasing Shares. Management makes no representations as to the accuracy or achievability of the underlying assumptions and projected results contained herein.

Background and Market^{1 2 3} : An epidemic of unaffordable housing is sweeping the United States. While new homeowners are certainly feeling the pinch, the real crisis lies with renters, who traditionally also tend to be lower income earners. Economically, renters share the pain in proportion with homeowners due to the fact that rental prices tend to increase at the same rate that the underlying mortgage payment will increase (which, of course, goes up as the house price increases). According to the Pew Research Center, in 2020, 46% of American renters spent 30% or more of their income on housing, and 23% spent at least 50% of their income on housing. This description of meets the Department of Housing and Urban Development's definition of being "cost burdened." In the last five years between 2016 and 2021, American renters have witnessed an 18% rise in the average rent payment – an amount which substantially outpaces inflation over this period.

According to a National Low-Income Housing Coalition analysis, the U.S. now faces a shortage of 6.8 million rental homes affordable and available to extremely low-income renters whose household incomes are at or below 30 percent of their area's median income.

Meanwhile, the amount of affordable housing funding programs associated with either direct legislative actions or indirect (non-profits), continues to roll forward in a tsunami-like fashion. Some of the initiatives include:

- In the fall of 2021, the Biden administration announced a plan to release 100,000 additional affordable homes for homeowners and renters over the next three years, with an emphasis on the lower and middle segments of the market.
- In early 2022, key members of congress are expected to secure increased funding for affordable housing and community development programs at HUD and USDA as part of a larger omnibus package for fiscal year (FY) 2022. Overall, the spending bill provides HUD programs with \$53.7 billion, or \$4 billion above FY21 enacted levels. The bill provides \$27.37 billion for tenant-based rental assistance (TBRA), including \$24 billion to renew previous contracts. It also includes \$200 million to expand rental assistance vouchers to an additional 25,000 households, including individuals and families experiencing or at risk of homelessness, such as survivors of domestic violence and veterans.

H-Space Product: The H-Space solution offers a "Multi-Sided Marketplace" type software application model that matches low-income renters with organizations, nonprofits, government agencies, and NGOs to ensure that an adequate property can be found for the renter who might otherwise become (or stay) homeless. All onboarding costs are free to all users: renters, organizations, organization employees, realtors, etc. H-Space revenue is generated only after the closing of the final lease through 5% commission from the lease payment to the landlord – a payment that will often come directly from the nonprofit organization.

Competition: There are currently no direct or indirect competitors to what H-Space offers. This is the first time a software product has been introduced that pays off as a function of having helped close a lease for an individual seeking a low-income rental agreement.

¹ [pewresearch.org/fact-tank/2022/03/23/key-facts-about-housing-affordability-in-the-u-s/](https://www.pewresearch.org/fact-tank/2022/03/23/key-facts-about-housing-affordability-in-the-u-s/)

² [whitehouse.gov/briefing-room/statements-releases/2021/09/01/fact-sheet-biden-harris-administration-announces-immediate-steps-to-increase-affordable-housing-supply/](https://www.whitehouse.gov/briefing-room/statements-releases/2021/09/01/fact-sheet-biden-harris-administration-announces-immediate-steps-to-increase-affordable-housing-supply/)

³ [nlihc.org/resource/advocates-and-key-members-congress-secure-increased-funding-housing-final-fy22-spending](https://www.nlihc.org/resource/advocates-and-key-members-congress-secure-increased-funding-housing-final-fy22-spending)

Value Propositions: The Company offers the following attractive competitive advantages and value propositions:

More Money to the Low-income renters: H-Space can boast that it will have significantly contributed to the homelessness crisis plaguing the United States. According to the outlook herein, the existence of H-Space's matchmaking service will result in placing over 250K individual or family renters into a home that would not have happened otherwise.

Valuable Peripheral Services: H-Space is positioning as the next "Legal Zoom" of the affordable housing landscape. The H-Space payment platform will act as a gateway to each State's affordable housing support system, providing a wealth of ancillary services to be marketed.

Market Timing, Technology: H-Space is entering the rental market while it is in the midst of a number of disruptive trends as a result of technological advances. Therefore, the Company has built its infrastructure from scratch with a set of optimum tools for today's digital- and mobile-first population.

The Financial Forecast

The tables below illustrate a six-year proforma outlook of the Company's operating results from the perspective of the Class A shareholders.

Income Stmt [monetary val's \$]	Year 1	Year 2	Year 3	Year 4	Year 5
Renter Profile					
New Renter Subscriptions, per Month (avg)	872	3,134	6,018	7,639	9,137
Number of Subscribers that Drop, per Month (avg)	88	546	1,594	3,445	6,179
Number of Subscribers that Drop without leasing, per Month (avg)	35	219	638	1,378	2,472
Net New Daily Active Subscribers, per Year	9,407	31,046	53,083	50,331	35,499
Net New Daily Active Renters, per Year	8,985	28,424	45,430	33,796	5,839
Total Daily Active Users (end of period)	9,407	40,453	93,536	143,867	179,366
Total Daily Active Renters (end of period)	8,985	37,409	82,839	116,635	122,474
Non-Profits/NGO's Profile					
New Non-Profits/NGO's, per Month (avg)	8	11	15	16	16
Number of Non-Profits/NGO's that Drop, per Month (avg)	0	0	4	9	13
Net New Daily Active Non-Profits/NGO's, per Year	99	136	128	79	32
Total Daily Active Non-Profits/NGO's (end of period)	99	235	363	442	474
Metrics & Assumptions					
Average Renter Tenure, in mos. Non-National Accts.	20	23	24	24	24
Renter Subscription Churn, Annualized	23.1%	29.3%	30.9%	39.3%	61.3%
Non-Profit/NGO Churn Annualized	0.0%	0.0%	13.6%	27.6%	34.6%
Customer Acquisition cost per New Renter [\$]	496	277	125	59	35
Revenue					
Rent Commission	1,187,725	6,670,725	18,528,025	31,128,275	36,264,600
Revenue Total	1,187,725	6,670,725	18,528,025	31,128,275	36,264,600
COGS					
Background Check	104,650	376,030	722,130	916,680	1,096,460
Credit/Trans/Other	35,632	200,122	555,841	933,848	1,087,938
COGS Total	140,282	576,152	1,277,971	1,850,528	2,184,398
Expenses					
Personnel Base, Benefits, Taxes	1,351,250	1,651,659	2,138,490	2,314,871	2,508,267
Occupancy Costs	30,000	31,667	34,001	34,702	35,427
Ongoing Application Dev. Support & Coding	34,489	46,384	62,381	83,895	112,830
Digital Subscriptions (Dig. Infrastructure)	23,876	42,877	77,001	138,284	248,337
Customer Acquisition	4,970,318	9,820,018	8,858,398	5,315,385	3,876,427
Hosting/AWS	25,739	125,332	323,421	522,189	632,468
Professional Services	47,047	121,516	207,625	271,285	293,247
Supplies, Office, Admin	12,734	22,868	41,067	73,751	132,447
Insurance	4,313	20,012	55,584	93,385	108,794
Customer Service	10,422	47,208	126,550	210,740	245,089
Travel & Other SG&A	78,412	202,527	346,041	452,142	488,746
Expenses Total	6,588,600	12,132,069	12,270,560	9,510,628	8,682,079
EBITDA	(5,541,157)	(6,037,496)	4,979,495	19,767,118	25,398,123
Interest	0	0	0	0	0
Depreciation	40,000	40,000	40,000	40,000	40,000
Income Taxable	(5,581,157)	(6,077,496)	4,939,495	19,727,118	25,358,123
Adj. for Carryforward	0	0	0	13,007,960	25,358,123
Tax Charge	0	0	0	2,601,592	5,071,625
Net Income	(5,581,157)	(6,077,496)	4,939,495	17,125,526	20,286,498

The Class A equity holders' Return on Investment (R.O.I.) was calculated using a Discounted Cash Flow Model with Free-Cash-Flow-to-Equity (FCFE) cash flows forecast, with a five-year horizon. The final calculated value in this model is the Internal Rate of Return (IRR) displayed in the table below. The result is 45.5% return on invested equity.

Equity Return, Adjusted for [000s]							
Year	0	1	2	3	4	5	5*
Cash Flows To Equity	(\$15,400)	\$0	\$0	\$4,979	\$17,166	\$20,326	\$44,651
Present Value	(\$15,400)	\$0	\$0	\$1,616	\$3,828	\$3,115	\$6,842
NPV	\$0						
IRR	45.52%						
*Terminal Value							

To estimate the current value of H-Space equity, another Discounted-Cash-Flow calculation was done using the current Discount Rate associated with the Real Estate (Operations & Services) Industry. There are three important components to this calculation:

- 1) The calculation of the Discount Rate using standard CAPM (Capital Asset Pricing Model) assumptions
- 2) The Discounted Cash Flow (Net Present Value) calculation using the Discount Rate from 1.)
- 3) The application of a "Survival Rate" discount, which estimates the risk factor associated with a startup's ability to stay in operation for at least five years.

Equity Valuation, Assumptions			
Item	Value	Source/Notes	
Risk-free rate	2%	www.treasury.gov/resource-center/data-chart-center/interest-rates	
Equity Premium	6%	pages.stern.nyu.edu/~adamodar/New_Home_Page/datafile/longprc.html	
Beta, Real Estate (Operations & Services), (Unlevered)	0.81	pages.stern.nyu.edu/~adamodar/New_Home_Page/datafile/Betas.html	
Long-Term, Stabilized Cost of Capital	6.96%	Result	
Survival Rate, 5 years	0.38	Knaup, Amy, 2005, "Survival and longevity in the Business Employment Dynamics Data," Monthly Labor Review	

Applying the above assumptions and values to a typical NPV calculation, the following table provides the result of steps 1, 2 and 3 noted previously.

Equity Valuation, DCF Valuation, Adjusted for [000s]							
Year	0	1	2	3	4	5	5*
Free Cash Flow to Equity	(\$15,400)	\$0	\$0	\$4,979	\$17,166	\$20,326	\$44,651
NPV of each period's FCFE	(\$15,400)	\$0	\$0	\$4,070	\$13,116	\$14,522	\$31,899
Value [\$]	\$63,607						
Value, with survival risk [\$]	\$24,171						
*Terminal Value							

The final value of H-Space equity in today's dollars is \$24.2MM.

Notes

H-Space

Investment
Offering

H-Space

Equity Participation via Regulation D Rule 506(c)

