

# LETTER OF INTENT

## Convertible Note Investment - Transformational Epicenter

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**Date:** February 22, 2026 (Revised February 23, 2026)

**Non-Binding** (except as noted in Section 12)

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**Between:**

\_\_\_\_ and \_\_\_\_\_ ("Founders") On behalf of the Transformational Epicenter project and its affiliated entities (collectively, the "Company")

**And:**

\_\_\_\_\_ ("Investor")

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## 1. PURPOSE

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This Letter of Intent outlines the proposed terms under which the Investor would invest \$17,300,000 USD into the Transformational Epicenter ecosystem through a secured Convertible Promissory Note.

This LOI is non-binding (except as set forth in Section 12) and is intended to serve as the basis for negotiation and execution of definitive agreements.

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## 2. TRANSACTION OVERVIEW

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The Investor shall provide a single capital commitment of \$17,300,000 USD to the Company via a secured Convertible Promissory Note (the "Note").

The Note shall be secured by:

- First-position lien on the real estate property (the "Property")
- Full collateral rights tied to the Property until conversion or repayment

- Standard institutional investor protections as detailed in definitive agreements
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### 3. CONVERTIBLE NOTE TERMS

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| Term                         | Detail  |
|------------------------------|---|
| <b>Principal</b>             | \$17,300,000 USD  |
| <b>Interest Rate</b>         | 9% per annum, simple interest   |
| <b>Interest Payment</b>      | Quarterly cash payments   |
| <b>Interest Commencement</b> | Six (6) months after operations commence, and no later than January 1, 2027 |
| <b>Maturity</b>              | Five (5) years from the date of funding, unless converted earlier           |
| <b>Security</b>              | First-position lien on the Property   |

Quarterly interest payment: \$389,250 Annual interest: \$1,557,000

Interest is calculated on a simple interest basis on the outstanding principal balance.

**Pre-Revenue Interest:** If operational revenue is insufficient to service quarterly interest payments during the pre-revenue period, interest shall accrue on a paid-in-kind (PIK) basis and be added to the outstanding principal balance. PIK interest shall convert to cash-pay interest once operations generate sufficient revenue to service quarterly payments. PIK interest accrued during the pre-revenue period shall not affect the fixed conversion schedule defined in Section 4b.

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### 4. CONVERSION RIGHTS

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At the Investor's election, the Note may convert into equity ownership in the Transformational Epicenter ecosystem, subject to the conversion schedule below.

#### 4a. Full Conversion Window (Months 0 through 12)

During the first twelve (12) months from the date of funding, the Investor may elect to convert the Note into the maximum equity position:

**Full Conversion Equity:** Forty-nine percent (49%) ownership across the three operating entities:

| Entity   | Description                              | Investor Equity |
|----------|--|-----------------|
| Entity A | Real Estate Holding Company              | 49%             |
| Entity B | Operational / Clinical Company           | 49%             |
| Entity C | IP, Technology, and Data Holding Company | 49%             |

#### 4b. Time-Based Declining Conversion Schedule (After Month 12)

Beginning in Month 13, the Investor retains the right to convert, but the conversion equity shall decrease quarterly in proportion to cumulative interest received.

**Rationale:** The 49% equity position reflects the full capital at risk at the time of investment. As the Investor receives quarterly interest payments, the effective capital at risk decreases. The conversion equity adjusts proportionally to reflect this reduced exposure.

**Formula:** Conversion Equity =  $((\$17,300,000 \text{ minus Cumulative Interest Paid}) / \$17,300,000) \times 49\%$

**Quarterly Recalculation:** Conversion equity shall be recalculated at the end of each calendar quarter based on cumulative interest actually paid. The applicable equity percentage at the time of the Investor's conversion election shall be determined by the most recently completed quarter.

#### Fixed Conversion Schedule:

| Conversion Elected  | Cumulative Interest Received | Conversion Equity | Equity Value at \$229M Projection |
|---------------------|------------------------------|-------------------|-----------------------------------|
| Months 0 through 12 | Up to \$778,500              | 49.0%             | \$112,210,000                     |
| Month 15            | \$1,167,750                  | 45.7%             | \$104,653,000                     |
| Month 24            | \$2,335,500                  | 42.4%             | \$97,096,000                      |
| Year 3              | \$3,892,500                  | 38.0%             | \$87,020,000                      |
| Year 4              | \$5,449,500                  | 33.6%             | \$76,944,000                      |
| Year 5 (Maturity)   | \$7,006,500                  | 29.2%             | \$66,868,000                      |

The schedule above shall govern conversion equity. In the event of any discrepancy between the formula and the schedule, the schedule shall control.

**Illustrative Decline:** Following the close of the full conversion window at Month 12, each quarterly interest payment of \$389,250 reduces the Investor's conversion equity by approximately

1.1 percentage points. For example, at Month 15, cumulative interest of \$1,167,750 reduces conversion equity from 49.0% to 45.7%. By Year 5, cumulative interest of \$7,006,500 reduces conversion equity to 29.2%.

Conversion equity applies proportionally across all three entities. If the schedule indicates 42.4%, the Investor receives 42.4% in each of Entity A, Entity B, and Entity C.

#### **4c. Conversion Mechanics**

Upon conversion at any point on the schedule:

- The first-position lien on the Property shall be fully released
- The Investor's security interest terminates and is replaced by equity ownership
- Partial conversion is not permitted; conversion shall be for the full principal amount into the applicable equity position per the schedule
- All accrued but unpaid interest at the time of conversion shall be paid in cash at closing

Final conversion mechanics, including representations, warranties, and closing conditions, shall be defined in the definitive agreements.

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#### **5. FOUNDER EARLY REPAYMENT RIGHT**

If the Investor has not elected to convert into equity within eighteen (18) months from the date of funding, the Company shall have the unilateral right to repay the Note in full, including:

- Full outstanding principal (including any PIK interest added to principal)
- All accrued but unpaid interest

##### **Illustrative Repayment at 18 Months:**

| <b>Component</b>                  | <b>Amount</b>       |
|-----------------------------------|---------------------|
| Principal                         | \$17,300,000        |
| Accrued Interest (9% x 18 months) | \$2,335,500         |
| <b>Total Repayment</b>            | <b>\$19,635,500</b> |

Upon full repayment, all conversion rights shall terminate immediately and permanently. The Investor shall have no further claim to equity in any Company entity.

This right is exercisable solely by the Company and does not obligate early repayment.

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## 6. GOVERNANCE STRUCTURE

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Upon conversion, governance shall be structured as follows:

**Board of Directors - Three (3) Members:**

| Seat   | Appointed By |
|--------|--------------|
| Seat 1 | Founder 1    |
| Seat 2 | Founder 2    |
| Seat 3 | The Investor |

Board decisions shall be governed by simple majority vote unless otherwise specified in the definitive agreements.

**Governance Threshold:** If the Investor converts at an equity level below thirty-five percent (35%), the Investor's board seat shall convert to a board observer seat. The observer shall have the right to attend all board meetings, receive all board materials, and participate in discussion, but shall not have voting rights. This threshold ensures governance representation remains proportional to equity ownership.

**Management Authority:** Day-to-day operations shall remain under the authority of the Founders as managing members. The Board shall not be required to approve operational decisions.

**Reserved Matters:** A limited set of major structural decisions shall require Board approval or supermajority consent, to be defined in the definitive agreements. Reserved matters are intended to cover:

- Sale or merger of any entity
- Issuance of new equity or debt above a defined threshold
- Material changes to entity structure
- Related-party transactions above a defined threshold
- Amendments to governing documents

**Preemptive Rights:** Upon conversion, the Investor shall have the right to participate pro-rata in any future equity issuance to maintain their ownership percentage. If the Investor declines to participate, their equity shall dilute proportionally alongside all other equity holders. The mechanics of preemptive rights, including notice periods and exercise windows, shall be defined in the definitive agreements.

**Anti-Dilution:** In the event of a future equity issuance at a valuation below the Investor's implied entry valuation, the Investor shall receive standard weighted-average anti-dilution protection. Full-

ratchet anti-dilution shall not apply. Specific mechanics shall be defined in the definitive agreements.

**Key Person:** If either Founder ceases to be actively involved in the management of the Company for any reason, the Investor shall have the right, at their election, to: (a) accelerate conversion at the equity percentage in effect at the time of the key person event, or (b) declare the Note immediately due and payable in full, including all accrued and unpaid interest. The Company shall provide written notice to the Investor within five (5) business days of any key person event. The definition of "actively involved" and the specific mechanics shall be detailed in the definitive agreements.

**Information Rights:** The Investor shall receive quarterly unaudited financial statements within forty-five (45) days of each quarter end and annual audited financial statements within ninety (90) days of each fiscal year end. The Investor shall also have the right to inspect the books and records of each entity upon reasonable notice. Information rights apply during both the note period and following conversion.

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## 7. DEFAULT AND ENFORCEMENT

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**Event of Default:** If interest payments remain unpaid for a cumulative period of twelve (12) months, an Event of Default shall be declared.

**Enforcement Rights:** Upon an Event of Default, the Investor shall have the right to enforce its security interest, which may include:

- Foreclosure on the secured real estate
- Sale of the Property
- Recovery of outstanding principal, all accrued and unpaid interest, and reasonable enforcement costs

The Company shall have a thirty (30) day cure period following written notice of default before enforcement proceedings may commence.

Enforcement mechanics and procedures shall be detailed in the definitive agreements.

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## 8. STRATEGIC ADVISORY PARTICIPATION

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The Investor is recognized as having significant experience in:

- Real estate investment and development
- Medical clinic development and operations

- Medical equipment procurement
- Healthcare operational infrastructure

The Company intends to actively collaborate with the Investor in an advisory capacity during development and Phase 1 launch, particularly regarding:

- Real estate structuring and acquisition
- Medical facility design and buildout
- Medical equipment selection and procurement
- Vendor introductions and negotiation
- Healthcare operational best practices
- Capital expenditure optimization

This advisory role shall be consultative in nature and shall not override management authority or the governance structure defined in Section 6.

The Investor is viewed not only as a capital partner but as a strategic contributor to the successful development and scaling of the Transformational Epicenter.

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## **9. ILLUSTRATIVE VALUATION**

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The following projections are provided for illustrative purposes only and do not constitute guarantees of future performance.

**Projected Five-Year Enterprise Valuation: \$229,000,000 USD**

## Investor Return Scenarios

| Scenario                                      | Equity % | Interest Received | Equity Value at \$229M | Total Return  | Multiple    |
|---|----------|-------------------|------------------------|---------------|-------------|
| <b>Convert within 12 Months (Full Window)</b> | 49.0%    | \$778,500         | \$112,210,000          | \$112,988,500 | <b>6.5x</b> |
| <b>Convert at Month 24</b>                    | 42.4%    | \$2,335,500       | \$97,096,000           | \$99,431,500  | <b>5.7x</b> |
| <b>Convert at Year 3</b>                      | 38.0%    | \$3,892,500       | \$87,020,000           | \$90,912,500  | <b>5.3x</b> |
| <b>Convert at Year 4</b>                      | 33.6%    | \$5,449,500       | \$76,944,000           | \$82,393,500  | <b>4.8x</b> |
| <b>Convert at Year 5</b>                      | 29.2%    | \$7,006,500       | \$66,868,000           | \$73,874,500  | <b>4.3x</b> |
| <b>No Conversion (Interest Only)</b>          | 0%       | \$7,006,500       | \$0                    | \$24,306,500  | <b>1.4x</b> |

The Investor may convert at any point during the twelve-month full window (Months 0 through 12) at the full 49% equity. Converting within the full window maximizes equity ownership.

## Key Metrics

| Metric   | Value               |
|--|---------------------|
| Initial Investment                               | \$17,300,000        |
| Implied Post-Money Valuation at Entry (Full 49%) | \$35,306,122        |
| Maximum Equity Value (49% at \$229M)             | \$112,210,000       |
| Maximum Multiple (Convert within 12 Months)      | 6.5x                |
| Interest-Only Return (Full Term, No Conversion)  | \$24,306,500 (1.4x) |

## The Conversion Incentive

The twelve-month full conversion window gives the Investor time to evaluate initial progress before committing to permanent equity, while preserving the maximum ownership position. After Month 12, each additional quarter reduces conversion equity by approximately 1.1 percentage points while providing interest income. The structure rewards conviction: the Investor who converts within the full window captures the maximum ownership stake during the venture's highest-growth phase.

At any conversion point, the Investor's total return (interest received plus equity value) significantly exceeds the interest-only return, making conversion the economically superior outcome at any point on the schedule.

These projections are based on management's current financial models and market assumptions. Actual results may differ materially. The Investor is encouraged to conduct independent due diligence and obtain professional advice.

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## **10. USE OF FUNDS**

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The investment shall be allocated toward:

| <b>Category</b>                       | <b>Description</b>   |
|---------------------------------------|--|
| <b>Property Acquisition</b>           | Purchase of the 45,000 m <sup>2</sup> compound in Tulum, Mexico      |
| <b>Legal, Tax, and IP Structuring</b> | Entity formation, tax optimization, intellectual property protection |
| <b>Entity Formation</b>               | Establishment of Real Estate HoldCo, OpCo, and IP/Data HoldCo        |
| <b>Medical Licensing</b>              | All required medical and operational licenses                        |
| <b>Renovation and Buildout</b>        | Property renovation, medical facility construction, infrastructure   |
| <b>Phase 1 Launch</b>                 | 15 casitas plus full medical infrastructure for initial operations   |

A detailed budget and allocation schedule shall be provided during due diligence and finalized in the definitive agreements.

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## **11. TIMELINE**

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Upon execution of this LOI, the parties intend to proceed as follows:

| Step | Milestone                             |
|------|---------------------------------------|
| 1    | Deposit placed to secure the Property |
| 2    | Due diligence period begins           |
| 3    | Legal and tax structure finalized     |
| 4    | Entities formed and registered        |
| 5    | Property closing                      |
| 6    | Renovation and buildout begins        |
| 7    | Phase 1 operational launch            |

Specific dates and deadlines shall be defined in the definitive agreements.

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## 12. BINDING AND NON-BINDING PROVISIONS

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### Binding Provisions

The following sections are binding upon execution of this LOI:

**Confidentiality:** Both parties agree to keep the terms of this LOI and all related discussions, financial projections, and proprietary information strictly confidential. Neither party shall disclose such information to any third party without the prior written consent of the other party, except as required by law or to professional advisors bound by confidentiality obligations.

**Exclusivity:** Upon execution of this LOI, the Founders agree to negotiate exclusively with the Investor for a period of ninety (90) days. During this period, the Founders shall not solicit, entertain, or accept proposals from other parties for equity participation in the venture on substantially similar terms.

**Governing Law:** This LOI and any binding provisions herein shall be governed by the laws of the State of Florida, United States.

**Expenses:** Each party shall bear its own legal, accounting, and advisory expenses incurred in connection with this LOI and the negotiation of definitive agreements.

### Non-Binding Provisions

All other commercial terms set forth in this LOI are non-binding and are subject to the negotiation and execution of definitive agreements. No party shall have any legal obligation to the other by virtue of these non-binding provisions.

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## **13. EXPIRATION**

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This LOI shall expire if not executed by both parties on or before April 30, 2026.

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## **SIGNATURES**

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**Founders:**

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\_\_\_\_ Name: \_\_\_\_\_  
\_\_\_\_ Title / Entity: \_\_\_\_\_  
\_\_\_\_ Date: \_\_\_\_\_  
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\_\_\_\_\_

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\_\_\_\_ Name: \_\_\_\_\_  
\_\_\_\_ Title / Entity: \_\_\_\_\_  
\_\_\_\_ Date: \_\_\_\_\_  
\_\_\_\_\_

**Investor:**

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\_\_\_\_ Name: \_\_\_\_\_  
\_\_\_\_ Title / Entity: \_\_\_\_\_  
\_\_\_\_ Date: \_\_\_\_\_  
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