

WHITE PAPER

# HJH REAL Token

Innovative Wealth Creation

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## HJH REAL TOKEN PRICING METHODOLOGIES

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Maximum Total Number of HJH REAL Tokens

1,200,000,000

Value of HJH REAL Token at Inception

\$0.0001

$$NOIM = \frac{(REI \times TC) - APP-DI}{NOI}$$

vs.

$$POV = \frac{Volume}{POVDC}$$

### The HJH REAL Unique Pricing Methodologies

The HJH REAL token is based on a unique pricing methodology unlike any other cryptocurrency. Conceived by HJH Investments founder, Cory Harkleroad, this complex pricing formula is based on an exclusive algorithm of factors based on the HJH Investments real estate syndication business activities.

The HJH REAL token is unique in that it employs two distinctly different pricing methodologies. One is predicated on a Real Estate and Income model (REI) and the other is a utilitarian Proof-of-Volume model (POV). For valuation at the time of mining, whichever price is higher will be used.

Continue to the following page for a pricing model breakdown.

## The Real Estate Asset & Income Pricing Model (REI)

REI Factor		Description
APP	Asset Purchase Price	The aggregate purchase price of all properties past and present in the HJH Investments portfolio.
DI	Disposition Income	The spread between the purchase price and the sales price for HJH Investment properties that have been sold.
NOI	Net Operating Income	The aggregate Net Operating Income for all current properties in the HJH Investments portfolio.
NOIM	Net Operating Income Multiplier	A multiplier of the Net Operating Income such that the REI formula yields the current market price for the HJH REAL token, as determined by its value on major cryptocurrency exchanges.
TC	Tokens in Circulation	Total number of HJH REAL tokens currently in circulation.

The following formula is used to compute the REI. Because the REI equals the current market price for the HJH REAL token as given on major cryptocurrency exchanges, we are really solving for the Net Operating Income Multiplier which is roughly equivalent to a Price-to-Earnings ratio in the stock market.

$$REI = \frac{APP + DI + (NOI \times NOIM)}{TC}$$

Here is how we determined a range of NOIMs as of November 1, 2021. We start with a snapshot of the constant REI factors at that time:

REI Factor		Value as of 11/1/2021
APP	Asset Purchase Price	\$266,587,985.00
DI	Disposition Income	\$4,377,051.00
NOI	Net Operating Income	21,803,747.60
TC	Tokens in Circulation	316,642,985.00

Here is the table of various NOIMs based on the potential range of values for the HJH REAL token as given on the major cryptocurrency exchanges. HJH REAL investors can use this information, combined with the Proof-of-Volume pricing model below to help make their investment decisions.

NOIM	REI (Value on Exchange)
NOI (1x)	\$0.9246
NOI (2x)	\$0.9935
NOI (5x)	\$1.2000
NOI (10x)	\$1.5443
NOI (20x)	\$2.2329
NOI (50x)	\$4.2987
NOI (100x)	\$7.7417

## The Proof-of-Volume Pricing Model (POV)

The Proof-of-Volume (POV) pricing methodology incorporates the actual use of tokens as a factor to determine the HJH Token price. The token volume is established by either gifting or trading on a cryptocurrency exchange.

POV Factor		Description
POVDC	Proof-of-Volume Denominator Constant	This is a hardcoded value equal to $7 \times 7^7$ which is 5,764,801. This number was carefully chosen so that the value of POV would realistically reflect the transaction volume without overwhelming the REI. This contributes to the overall homeostasis of these two pricing models.
VOLUME	Volume	The total number of HJH REAL tokens either gifted or traded on a cryptocurrency exchange.

The following formula is used to calculate the POV. It increases the HJH REAL price by one cent (\$0.01) for every 5,764,801 HJH REAL tokens that are gifted, purchased, or exchanged on any major exchange.

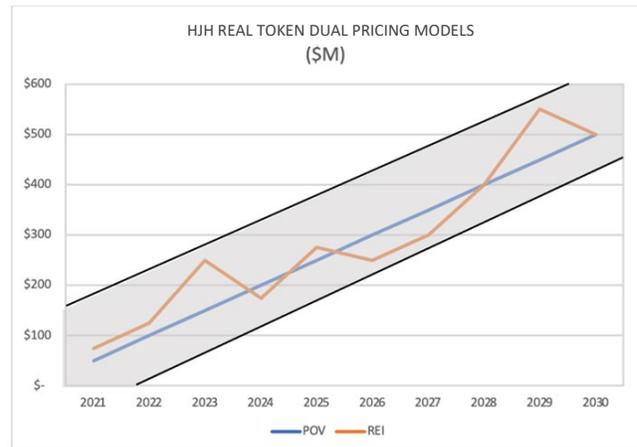
$$\text{POV} = \frac{\text{VOLUME}}{\text{POVDC}}$$

The POV as of November 1, 2021, was \$0.00 because the HJH REAL token had not been gifted or traded on a cryptocurrency exchange at that time.

## The Dual-Pricing Rationale

Having two pricing models for the HJH REAL creates both a balance and a conflict in establishing the true value of the token. Anyone interested in acquiring HJH REAL tokens should compare the token prices of both valuation models to determine whether the current token price listed on the cryptocurrency exchange is an appropriate price for purchasing HJH REAL tokens.

Because HJH Investments will update both the REI and POV price each quarter, the HJH REAL token buyer will always have information available to make an informed purchase decision. All quarterly REI and POV updates can be reviewed at [hjhrealtoken.com](http://hjhrealtoken.com).



To the right is a chart that illustrates the synergy of these two competing pricing models.

## ABOUT HJH INVESTMENTS

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### Philosophy

#### Protect and *then* Grow Investor Capital.™

HJH Investments is a commercial real estate investment firm headquartered in Wichita, Kansas, with offices in Texas, Ohio, and Michigan. Led by founder and CEO Cory Harkleroad, the company's mission is to Protect and *then* Grow Investor Capital™ through Commercial Real Estate Syndication. (<http://hjhinvestments.com>).

Since its founding in 2014, HJH has embraced a safety-first mentality -- a philosophy rooted in its principal to treat investors preferentially and deliver a premier investment experience.

Following the HJH syndication model, investors can earn passive income, increase their buying power, and diversify their portfolios across high-quality, cash-generating retail, industrial, office and medical assets.

### HJH Core Objectives

At the heart of the HJH investment strategy is an unwavering commitment to preserving investor capital that is cemented through the company's investor-first framework.

- Employ strategic property sourcing methods and adhere to strict criteria
- Conduct extensive due diligence and financial analysis
- Distribute consistent financial returns and quarterly updates
- Offer well-vetted, cash-flowing investment opportunities with consistent returns
- Leverage an experienced team to operate and manage all assets effectively
- Gain a comprehensive understanding of each investor's wealth-building strategy
- Provide investors with the tools and resources to make educated investment decisions

### HJH Long Term Vision

The long-term vision of HJH Investments is to help investors grow capital via its syndicated commercial real estate model. Through a well-honed formula, the company specializes in retail, industrial, office, and medical acquisitions that deliver dependable results to a private network of investors.

Operating with the perfect blend of a well-curated, knowledgeable team and extensive resources, HJH works diligently to provide investors with thoroughly vetted investment opportunities. The process begins by sourcing properties that pass a meticulous due diligence process and have stable, predictable tenants with long-term lease obligations already in place. HJH also manages the assets upon acquisition.

The innovative nature of HJH Founder & CEO Cory Harkleroad extends his vision into the dawn of the twenty-second century through cryptocurrency, the new and disruptive technology that enables decentralized currency to circulate as a viable medium of exchange and storage.

However, Cory has not simply created another cryptocurrency to add to the 12,870 cryptocurrencies existing as of October 2021. Rather, he has created a unique crypto token because its pricing methodologies are based on actual usage and volume of actual and verified real estate transactions.

To accelerate the market acceptance of this new HJH REAL token, HJH CC (a company wholly owned by Cory Harkleroad, CEO of HJH Investments) intends to gift tokens to their existing investors as a thank you for their participation in HJH investment opportunities through November 1, 2021. Note that new investments into HJH properties after that date will NOT result in any additional gifted tokens.

The following sections provide an overview of the HJH tokens.

# HJH REAL CRYPTOCURRENCY TOKEN

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## Introduction

HJH Investments is an innovative, forward-thinking, commercial real estate syndicator. After researching the recent and rapid evolution of cryptocurrencies and exploring how this new currency could benefit its investors, HJH decided to create and utilize its own cryptocurrency token.

Named HJH REAL, this new token has been created for HJH CC by the Rexnet Custom Coin development team. The HJH REAL has been customized to reflect the HJH Investments real estate portfolio and profitability, from which its pricing methodologies are based and token prices derived.

HJH REAL has been created to function on the Ethereum (ETH) blockchain, which is a decentralized, open source blockchain system that features its own cryptocurrency, Ether (ETH) as well as supports other cryptocurrencies for the execution of decentralized smart contracts.

To buy, sell or trade a cryptocurrency, a trading pair is required. The trading pair for the HJH REAL token is the USD Coin (USD), which is an Ethereum based token.

Subsequent sections of this White Paper will elaborate on the specific features and factors that define the HJH REAL token, such as Token Tracking, pricing methodologies, supply, scarcity, trust, exchanges, liquidity, staking, wallet, financials and team.

To assist HJH Investors to better understand the new and often intimidating subject of cryptocurrencies, the White Paper Addendum summarizes the potential role of cryptocurrencies in real estate, numerous definitions of technical terms and the basic economics of cryptocurrencies called Tokenomics. In addition, the Addendum explains the Blockchain Ecosystem, type of crypto tokens, crypto pairings, types of wallets and a general discussion of token supply and liquidity.

## HJH REAL Token Tracking & Pricing

### Tracking Token

The HJH REAL token is the first of its kind Tracking Token that uniquely combines specific elements of the HJH Investments real estate asset purchase price, disposition, net operating income and a constant modifier. These elements are elaborated below in the Pricing Methodologies section.

The HJH REAL token is designed to track and reflect the specific real estate activities of HJH Investments. The role of tracking as it relates to prices is explained in the next section on pricing methodologies.

### Token Pricing

Upon its creation the HJH REAL will be released at the arbitrary price of \$0.0001 (US Dollar). However, once the token is trading on an exchange, new sets of factors will exist to affect the price.

As another unique concept, the HJH REAL token will be the first to price its crypto token by utilizing two distinctive pricing methodologies that simultaneously generate two different prices for the token. This dual-pricing concept creates balance, scarcity and long-term value for the HJH REAL token.

The initial pricing is published elsewhere in this White Paper. Quarterly pricing updates will begin on February 1, 2022, and report will be posted on the HJH Investments website on the first of February, May, August and November.

## HJH REAL Token Supply

### HJH REAL token Supply

Supply is the primary component of tokenomics. In the crypto landscape, there are three types of token supplies: Initial, Current and Total.

#### Initial Token Supply

The Initial Supply is the number of tokens in circulation when they are first traded on the market, some of which will be gifted to current investors. The Initial Supply of HJH REAL tokens will be issued by December 24, 2021, and it will be vested in a Cryptocurrency Trust for a period of twenty-four (24) months, until December 24, 2023, at which time they can be held, exchanged or liquidated. The Initial Supply of HJH REAL tokens will be 316,642,985.

#### Current Token Supply

The Current Supply of tokens refers to the total amount of tokens in circulation and available on the market at any specific time. However, the Current Supply is not a stagnant number because governance by HJH CC may mine additional HJH REAL tokens at will during or after the two-year period of vested holding.

However, during this two-year holding period, all HJH REAL tokens gifted by HJH CC are vested in trust and none of these tokens shall be exchanged or sold on any cryptocurrency exchange or any other marketplace or between any individuals. This applies to tokens gifted to HJH investors, HJH Investments and HJH REAL developers; this restriction will be strictly enforced by a third-party company.

During this two-year period, HJH CC may mine additional HJH REAL tokens to add liquidity to Uniswap and SushiSwap cryptocurrency exchanges. HJH REAL tokens added to these exchanges (or other major cryptocurrency exchanges for that matter) may be freely purchased, sold or exchanged by the general public. However, it is HJH CC's desire during this period to maintain a pricing that reflects a 1-10X NOIM by adding tokens to the marketplace when the price exceeds 10X. After two years, HJH CC will no longer add tokens to the marketplace for the purposes of price maintenance.

#### Total Supply of Tokens

The Total Supply of tokens refers to the limit of tokens that can ever be produced or mined, and it can be either an Unlimited Total Supply or a Maximum Total Supply. The HJH REAL token has a fixed, Maximum Total Supply of 1,200,000,000 tokens that can never be increased, although through a process called "burning", it can decrease the Maximum Total Supply. This maximum supply of tokens will be verified by a third-party company.

#### The Mechanics of Supply

When the circulation of a specific token increases, as with the HJH REAL Proof-of-Volume pricing methodology, the token price should increase concurrently per the valuation model formula. Contrastingly, an arbitrary increase of newly mined tokens added to the Current Supply will decrease the price of the other tokens in circulation.

## Initial Distribution

Below is a list of the general distribution categories of the Initial Supply of the HJH REAL tokens:

HJH Real Estate Ownership	266,587,985
HJH Investments	25,000,000
HJH REAL Developers	25,000,000
<b>Total Initial Supply</b>	<b>316,587,985</b>

## HJH REAL Market Capitalization

The HJH REAL token was issued and listed on the Uniswap and SushiSwap exchanges in December 2021. The initial circulation is 316,587,985 tokens at \$0.0001. The initial Market Cap would normally be \$316,587, but the token governance requires the initial issue to be vested in trust for a period of two years (until December 31, 2023).

## Mining, Scarcity, And Value

The only way for additional HJH REAL tokens to be released into the Current Supply is for them to be mined by HJH CC and issued from the HJH REAL Master Wallet. Thirty-six months after the initial release of the HJH REAL tokens, HJH CC may, at its sole discretion, sell or gift mining rights to other real estate syndicators. Otherwise, HJH CC is the only party allowed to mine HJH REAL tokens.

HJH CC, or its mining assignee, will only mine tokens when acquiring additional real estate assets. The quantity of HJH REAL tokens to be mined will be a direct correlation between the cost of the real estate asset and the token number based on the token price (as described below) on the date of the transaction's close of Escrow.

The HJH REAL token price on the date of mining will be determined by the higher of the latest published Proof-of-Volume (POV) price and the current market price of the token on major cryptocurrency exchanges (REI). Uniswap and SushiSwap are the initial exchanges on which the token will be released, but others may be added later.

HJH CC can only mine new HJH REAL tokens based on the exact value of the real estate using the price of the token as established above. This mining formula's natural scarcity helps ensure the long-term value of the HJH REAL token.

## Trust & Transparency

HJH Investments is committed to creating trust by transparency for its real estate investors. It will continue this ethical practice with its new HJH REAL token. Therefore, it will engage the services of an independent, third-party organization, TrustSwap (<https://trustswap.org>).

TrustSwap is a decentralized finance ecosystem that will provide HJH Token holders with audits of transactions that are used in the HJH REAL token pricing methodologies and token mining activities. This vetting service will validate the pricing of HJH REAL tokens and provide security for HJH REAL token holders.

## Crypto Exchanges

### HJH REAL Cryptocurrency Exchanges

The HJH REAL token will be listed on the Uniswap and SushiSwap cryptocurrency exchanges at the time of issuance and in the future may be listed on other exchanges, such as Coinbase Asset Hub.

Both Uniswap (<https://Uniswap.org>) and as well as SushiSwap (<https://sushi.com>) act as decentralized exchanges (DEX). Essentially DEX is a smart contract that allows exchanging HJH REAL for available liquidity.

Since decentralized exchanges are designed to favor buying and selling activities of participants, after the two-year vesting period has passed, all HJH REAL tokens in circulation will be available to exchange on the free market through smart contracts.

HJH Investments will provide a tutorial for all HJH REAL token holders on its website at [hjinvestments.com](http://hjinvestments.com), which will explain how to find pricing information and how to execute trades after the two-year vesting period.

More technical descriptions of the two HJH REAL token exchanges are in the Appendix.

## Token Liquidity

### HJH REAL Liquidity

The liquidity of a cryptocurrency is determined by several factors: (a) the speed at which an asset can be bought or sold without affecting the general stability of the asset's price, (b) the ease at which a crypto token can be converted into other tokens or cash and (c) the overall volume of transactions. Clearly, as a token becomes more accepted, the volume of transactions will increase, it will be listed on more currency exchanges and it will become easier to exchange or sell, all of which will increase token stability leading to less price fluctuation.

### Liquidity Providers

Liquidity depends on liquidity providers, which are entities that participate in both sides of a market to ensure that digital assets get a faster market for sale. For HJH REAL tokens, the liquidity providers are USDC and ETH liquidity pools.

The USDC, or US Dollar Coin, is a stable coin pegged to the US dollar and functions to tokenize US dollars into cryptocurrencies. USDC tokens can be changed back to US dollars at any time, which brings stability to cryptocurrencies.

ETH, or Ether, is the cryptocurrency used as the Fee, or "Gas" that powers Ethereum and is the fee for using the Ethereum network blockchain and applications. The HJH Token operates on the Ethereum blockchain.

To jumpstart the acceptance of the HJH REAL token, HJH CC will provide liquidity for it on the Uniswap and SushiSwap exchanges for the first two years. Those token holders who were gifted HJH REAL tokens may NOT use their tokens to provide additional liquidity until the two-year vesting period is complete, at which time that will have full access and use of their gifted tokens. However, investors who purchase HJH REAL tokens on the open market (via Uniswap or SushiSwap) may become Liquidity Providers if they so desire.

## Token Staking

Cryptocurrency Staking is a process like having a savings account with a bank and earning interest on your deposited funds. Crypto staking allows individual token owners to “lock” their tokens into a chosen “Proof of Stake” blockchain for them to inflate in value over time.

The HJH REAL token’s REI and POV pricing methods do not make it a Proof of Stake crypto token. However, the HJH REAL pricing algorithms automatically provide a mechanism for independent, internal stake holding. Both the REI and POV pricing methodologies are structured to increase the HJH REAL token value based on its real estate activity and the subsequent volume of token usage.

Consequently, HJH REAL token owners who wish to enjoy the benefits of Token Staking simply need to retain ownership as Token Holders and enjoy the increases in the value of the token.

## Financial Reports

The founding principle of HJH Investments is to **Protect and then Grow Investor Capital™**. Integrity and transparency are tantamount to achieving and maintaining that goal.

Consequently, all company financial records are available for review at [hjhrealtoken.com](http://hjhrealtoken.com), which users are encouraged to visit and learn about the factors used for the HJH REAL token pricing methodologies.

## HJH WHITE PAPER ADDENDUM

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### General Cryptocurrency Definitions

#### Tokenomics

Traditional or fiat money like the US dollar is controlled by governments and financial institutions, which makes it centralized. Cryptocurrencies are a new type of digital money that exists on blockchains in computers with no central control and are thereby decentralized.

Tokenomics, or the economics of a token, describes how a cryptocurrency functions within a certain ecosystem. It is the microscopic description of a specific crypto token's type, function, mining, supply, distribution, technology, and governance, to name a few.

#### Token Categories

The HJH REAL token is a Layer 2 token category.

#### Layer 2 Token

Layer 2 is the name given to crypto tokens that are built on top of Layer 1 blockchains. They perform the scaling functions that increase the speed and efficiency of transactions while inheriting the security of the underlying Layer 1 blockchain on which it is built.

#### Layer 1 Token

Layer 1 is the name given to crypto tokens that exist in a specific blockchain protocol, such as Bitcoin and Ethereum. These tokens are used for storage, purchase, or investment services. They provide settlement for each transition on the blockchain network.

#### Security Tokens

Security tokens refer to digital investment with contracts that represent ownership of an asset in portions or fractions thereof, such as company stocks, rights to dividends, profit sharing, etc.

#### Utility Tokens

Unlike security tokens that represent ownership of real-world assets and financial instruments, utility tokens are used to access a company's product or service and are not meant to be used as an investment or store of value.

#### Fungible Tokens

Fungibility is defined as the interchangeability of a good or asset with another good or asset of the same type. Fungible tokens contain the same value even after replacement.

#### Non-Fungible Tokens

Non-fungible tokens (NFTs) are unique because each has a distinct value and is not interchangeable. They are physical items like real estate, artwork, collectibles, or any asset that users can own digitally.

#### Token Supply

Token supply is one of the most important factors in crypto tokenomics. The three kinds of supply of cryptos are initial

supply, current or circulating supply, and total supply. The initial supply of HJH REAL tokens will be 316,642,985.00 but the circulating supply will be vested and not activated for a period of two years after the date of issuance.

### **Token Distribution**

Adoption is an important factor in the value of a crypto token and is determined by distribution. The initial distribution of the HJH REAL token will be gifted to HJH Investors, HJH Investments, and HJH Developers.

Future token distribution amounts will be governed by the HJH REAL pricing methodologies and by transactions on the decentralized SushiSwap and Uniswap crypto exchanges.

The Proof-of-Volume pricing method is a centralized, controlled, formula-based concept that differs from the decentralized cryptocurrency exchange free-market pricing. The number of tokens to be distributed at any point in time depends on which pricing method is used to determine the price.

### **Price Stability**

Tokenomics, at its core, is all about price implications and stabilization. The HJH REAL token is an asset token, or Tracking Token, with two pricing methodologies predicated on real estate performance.

### **HJH REAL Token Model**

The HJH REAL token is a “Tracking Token”, which is a newly conceived category of the token model so named because it tracks and derives its value from the real estate transactions and profitability of HJH Investments.

### **HJH REAL token**

The HJH REAL token type is the ERC-20 which is based on the decentralized Ethereum blockchain, the second largest blockchain in market capitalization after Bitcoin. The ERC-20 token is the most significant token on the popular Ethereum blockchain and is compliant with its protocols.

## **Blockchain**

### **Blockchain, General**

A blockchain is a database that is distributed throughout many independent computers without a common, central processor; ergo it is a decentralized network. The “block” represents data that has been digitalized into computer code. The “chain” represents how those blocks of code are linked together and stored in a database, or ledger.

This decentralized network allows the direct, peer-to-peer exchange of data that records transactions that are transparent and secure.

Blockchain transactions are secure because they require both Private and Public “Keys”, or passwords, which are based on cryptography --- a method of storing and transmitting data in computer code on a blockchain in a way that only those for whom it is intended can access it.

Blockchains are used for recording transactions made with cryptocurrencies and have many other applications.

## Crypto Token Types

### Transactional Tokens

Transactional tokens work for the exchange of goods or services in the crypto realm. These tokens work a lot like conventional currencies and allow users to make transactions without a central authority or intermediary. But not every transactional token works as a currency. In fact, some people use transactional tokens to make smart contracts operations more flexible.

### Security Tokens

Security tokens are the result of endless regulatory concerns in the crypto market. Since SEC now wants to regulate cryptocurrencies, the market continues to reevaluate the legal use cases of tokens. Oftentimes, investors opt for security tokens that serve as property interests.

### Governance Tokens

You can tie together security tokens with governance tokens. But these tokens work to improve critical decisions and encourage stakeholders to debate, vote, and collaborate within the same system. Without governance tokens, blockchain-supported voting wouldn't be possible.

With governance tokens, you can vote on future HJH initiatives. A high number of HJH REAL tokens in a wallet means you will have more voting power as a token holder.

### Platform Tokens

These tokens use blockchain infrastructure to build and roll out decentralized applications for various use cases. The strength of a platform token depends on the overall build that reflects its ability to support and secure transactional activities.

### Utility Tokens

These tokens belong to an existing blockchain protocol that allows users to access various services. Utility tokens are not used to make direct investments. Instead, utility tokens work to cover the cost of services inside a blockchain ecosystem.

## Token Pairs

### Token Pairs

A token pair refers to two combined cryptocurrencies that make digital trading on a currency exchange possible. With a pair, you can exchange two cryptocurrencies in a trade. You can separate the two tokens through a slash or dash symbol.

On top of multiple crypto pairs, exchanges can also support fiat currencies with one crypto and one fiat-based currency. But despite variance in the combinations, the mechanics of trading are the same. When it comes to a token pair, you're dealing with base currency and quote currency.

How investors decide to trade a pair can depend on a wide range of factors, the key being whether the listed pair on an exchange has sufficient liquidity. What makes a token pair interesting is that you can trade cash for a specific cryptocurrency and crypto-to-crypto within cryptocurrency exchange. Token pair can get a bit complicated, but it also creates arbitrage opportunities.

## HJH Token Pairs

The US Dollar Coin (USDC) is a stablecoin fully backed by the US dollar that runs on the Ethereum decentralized blockchain. It is stable in that it is fixed on the US Dollar as a reserve asset at a 1:1 value. Its value does not swing dramatically in the middle of a transaction and provides market stability.

It is backed by a dollar-denominated asset of at least equal to the USDC in circulation. The USDC can be purchased on Coinbase and held in any Ethereum based wallet. It is one of the most popular and versatile classes of cryptocurrency to emerge in the last few years. More than \$20 billion USDC has been mined as of August 2021.

USDC allows individuals without a bank in any county to buy USDC using any mobile phone and digital wallet, thus making a crucial link between traditional finance and the blockchain-powered, decentralized open-source financial system.

There are no fees for transferring US dollars into USDC, i.e., tokenizing the USD to USDC. There is a total supply of four billion USDC tokens currently in circulation.

## HJH REAL Exchanges

### Uniswap

Uniswap is an open-source platform that allows anyone to copy a specific code and create their custom decentralized exchange. Users can list their tokens on the Uniswap exchange without any listing fee.

As a decentralized exchange platform, Uniswap also allows users to assume full control of their available funds. It is another factor that makes DEX more uniform and practical for users. Technically, Uniswap maintains control over private keys that cuts out the potential risk of losing digital assets in the event of a hack. Data suggests that Uniswap has become the 4<sup>th</sup> largest DeFi platform with over \$3 billion of locked crypto assets in its exchange protocol.

#### ► Uniswap Mechanics

Uniswap works on smart contracts such as “factory” and “exchange”. These automated smart contracts work on computer programs with specific functionalities and meet specific conditions. In these situations, factory-based smart contracts come into play to include new tokens on the platform.

This exchange platform supports this smart contract as token trades or swaps. Users can swap any ERC-20 compatible token like HJH REAL on the updated Uniswap v.2 exchange platform.

#### ► Liquidity Protocol

Uniswap addresses liquidity issues of decentralized exchange through its automated liquidity protocol. It incentivizes users to trade on the Uniswap exchange platform and operate as liquidity providers or LPs. In this case, users pool their funds to execute trades on the Uniswap exchange platform.

Each listed token comes with its own pool of users, which allows each user to decide how much they want to contribute based on the current token market price. This liquidity protocol allows buyers and sellers to fulfill a trade without waiting for a third party. With sufficient available liquidity in the pool, buyers and sellers can execute trades at a fair market price.

► **Arbitrage**

One of the most integral aspects of the Uniswap ecosystem is arbitrage trading. Arbitrage traders identify price discrepancies on various exchanges to secure profits. Their objective on Uniswap is to find tradable tokens with below or above market value.

Large trades can make the pool imbalanced and lower the price for buyers and sellers. But this requires consistency to make significant profit margins. The idea is to decrease the price on one exchange and rebalance the overall price range on other exchanges.

This creates a balance between arbitrage traders and the automated market maker system. Think of it as a secret ingredient to keep the token prices of Uniswap in tandem with the entire market.

### **SushiSwap**

The 2020 launch of the SushiSwap exchange took only a year to achieve a market capitalization of over \$1 billion. SUSHI is the main governance token of the SushiSwap exchange.

SushiSwap is accessible on various cryptocurrencies exchanges like Coinbase and BinanceUS. It is an Ethereum-based AAM (automated market-making) protocol that forked from Uniswap after numerous critical changes. SushiSwap ultimately works as an integrated DEX protocol using smart contracts.

By Q2 2021, SushiSwap had a total dedicated protocol value of \$4 billion, which makes SushiSwap a close Uniswap competitor and continues to develop impressive new features. The market focus is the SUSHI token, a key competitor to UNI, the Uniswap token. SushiSwap could dethrone Uniswap and become the most successful ETH-based DEX.

The Automated Market Maker (AMM) protocol provides liquidity through automated algorithmic trading and creates an automatic balance of two tokens in a specific pool. Users can execute any transaction without needing to rely on third parties by paying the transaction fees of their liquidity provider.

Although Sushi runs on the Uniswap code, SushiSwap offers more innovative features to its system. SushiSwap plans to attract more Uniswap users by offering liquidity through lending SUSHI tokens.

## **DEX Exchanges**

The following general information about decentralized cryptocurrency exchanges also pertains specifically to the exchanges where the HJH REAL token are listed, Uniswap and SushiSwap.

### **DEX Method**

Decentralized Exchanges (DEX) are designed to allow participants to buy or sell their tokens on the free market using smart contracts and without intermediaries. Technically, a decentralized exchange is a Peer-to-Peer marketplace that bridges the gap between crypto buyers and sellers.

Unlike centralized exchanges, DEXs are non-custodial in nature and allow users to assume complete control over their private keys during transactions. And when there's no central authority, DEX platforms use smart contracts to meet certain conditions and self-execute transactions on the blockchain.

More secure and trustless transactions continue to accelerate the crypto market. Although scalability, liquidity, and user experience have more to evolve in Decentralized Exchanges, the benefits significantly outweigh its pitfalls. Users enjoy trustless transactions, diversity, custody, lower fees, and privacy.

The future looks bright for Uniswap and SushiSwap because they are at the center with Ethereum-powered blockchain technology and DeFi tools. Market experts believe that the boom of DEXs is inevitable and compatible crypto wallets will garner more attraction in the foreseeable future.

In Q1 2021 alone, more than \$217 billion transactions were processed through DEXs. By April 2021, more than 2 million decentralized finance traders were in the market with a ten-fold increase in numbers.

### **Mechanics of DEXs**

DEX doesn't work like centralized exchanges and doesn't allow exchanges between crypto and fiat currency. Instead, it allows users to trade one cryptocurrency token for another cryptocurrency token.

DEXs are combinations of smart contracts that determine the crypto prices against the backdrop of complex algorithm settings. This provides liquidity pools that allow investors to lock their funds on the exchange platform based on interest-specific rewards that make trades possible.

Unlike centralized exchanges where recorded transactions exist in an internal database, decentralized exchange transactions are finalized straight into the blockchain. Unlike Centralized Exchanges (CEX), decentralized finance is an open-source protocol that is more democratic, uniform, and adaptable. With a Uniswap code, users can roll out a host of decentralized finances as swaps.

### **Interaction on the DEX**

With the crypto wallet, users can connect to a decentralized exchange platform like Uniswap and SushiSwap and can use a browser to connect their computer to a wallet.

### **Benefits of DEX**

DEX offers a wide range of benefits that affects the diversity, trust, fees, and privacy of the digital asset.

#### ▶ **Lower Fees**

DEXs function through self-executed smart contracts that involve a gas-based fee structure. This built-in mechanism propels DEXs to charge a nominal fee. Users can expect to pay no more than 0.3% on exchanges like Uniswap and SushiSwap. The fee structure can fluctuate and depend on network utilization. Still, DEXs fees are significantly lower than CEX fees.

#### ▶ **Custody**

The non-custodial DEXs are ideal for traders who don't want to give up control of their transactional private keys. Externally held digital wallets interact through DEXs that trigger self-execution of trades through smart contracts.

#### ▶ **Reduced Risk of Hacking**

Since the DEX funds are stored on the custom wallets of traders, it reduces potential vulnerabilities to hacks. In fact, DEX is famous for reducing the counterparty risk that involves multiple parties. In non-decentralized finance transactions, DEX defaults the potential central authority. DEX provides complete anonymity, which means that users do not need to provide personal information.

▶ **Trustless Transactions**

Unlike CEX, another benefit of DEX is that no central authority records and oversees transactions. Instead, DEX is a self-sustaining mechanism that works via smart contracts. DEXs execute and record trades within the blockchain that creates trustless transactions. Because DEXs does not hold funds, it allows fewer opportunities for hackers to access valuable information.

▶ **Diversity**

Unlike CEXs, there's no exercise control or limitation over how many cryptocurrencies users can list for trading activities. Most altcoins are now accessible only through DEXs because the marvel of P2P allows users to transact independent of trading volume.

▶ **Opportunity**

DEX is the place to go to find attractive new tokens, opportunities, and projects with vested and unvested interests.

▶ **Privacy**

DEX users hold external wallets and have no need to reveal private keys. Because DEX has no responsibility for the funds, users don't have to deal with inconvenient "Anti-Money Laundering" (AML) or "Know Your Customer" (KYC) procedures.

## Utility

The fundamental utility for HJH REAL token holders is that they can retain their tokens and earn additional income by becoming liquidity providers (LPs) on Uniswap or SushiSwap. Liquidity providers are independent individuals who put up HJH and USDC tokens to make trades on the decentralized exchange (DEX) platform.

HJH also offers an incentive for token holders who become liquidity providers. For instance, HJH REAL token holders can earn commissions on any future buying or selling through a decentralized exchange platform. Liquidity providers make it impossible to list HJH REAL tokens on a DEX. New opportunities open when an HJH REAL token holder becomes a liquidity provider.

## Wallets

### Hot Wallet

Wallets that are connected to the internet are called hot wallets. These wallets offer a simplified user experience but pose a higher risk than cold wallets.

### Cold Wallet

Unlike hot wallets, cold wallets do not need an internet connection and are stored offline. Cold wallets are tangible hardware devices that store public and private keys. These are secure and incur little risk compared to hot wallets. The most secure Cold Wallets are the Ledger Nano X, Ledger Nano S, CoolWallet S, Trezor Wallet T, Trezor Model One, and KeepKey.

**Paper Wallet**

By definition, a crypto wallet is simply any public and private pair of keys. However, storing these keys in a QR-coded format is inadvisable because the codes printed on paper often have severe flaws that make them unreadable and thereby impossible to use, in which case the crypto contents are lost.

**Mobile Wallet**

Mobile wallets have become convenient among the crypto community. These wallets use QR-codes to process transactions. Mobile wallets are used in day-to-day operations that make them prone to malware. It is the main reason most mobile wallets have dedicated encryption.

The top-ranked mobile wallets are Coinomi Wallet, Exodus Wallet, Coinbase Wallet, Atomic Wallet, and Trust Wallet, which is the preferred HJH REAL token wallet.

**Web Wallet**

These are internet-based wallets that users can run on browsers. Users' private keys are held in web wallets but are vulnerable to DDoS (Distributed Denial-of-Service) cyberattacks. Users who want quick transactions should opt for non-hosted web wallets that offer better security than hosted web wallets.

**Liquidity**

Liquidity is essential when it comes to a tradable asset. Low liquidity refers to current market volatility that increases the price of cryptocurrencies. On the other hand, high liquidity levels refer to a stable crypto market with few price fluctuations.

It has become quintessential for investors to be aware of the changing paradigms of crypto markets. Buying or selling cryptocurrencies in low or high liquidity level markets can support many participants. Users can participate or get out of a crypto trade with ease and freedom.

Investors who are aware of liquidity mechanics and who monitor how changing liquidity levels may impact their investment make the most logical decisions. Usually, liquidity allows a user to convert assets into cash. But in the crypto world, liquidity also refers to the convenience at which investors can convert tokens into cash or another cryptocurrency.

Ideally, high market liquidity works in favor of investors to leverage improved prices. In fact, a consistently high liquidity level creates more trading activity that leads to an equilibrium state in the market. It's a win-win scenario that stabilizes prices.

In a highly liquid market, there are many participants, which means stable prices can withstand large orders. A high liquidity market also allows investors to make accurate technical analyses about prices.

Liquidity Provider Tokens (LPT) are issued on Decentralized Exchanges that function on an Automatic Market Maker (AMM) protocol. Uniswap and SushiSwap are common examples of well-known decentralized exchanges that can distribute liquidity provider tokens.

**Liquidity Provider Tokens**

Liquidity Provider tokens have many uses that continue to make DeFi platforms more popular. Automated Market Maker platforms such as Uniswap and SushiSwap speed up the growth of the decentralized finance ecosystem.

LP tokens enable automated market makers to have a non-custodial arrangement to promote decentralization. LP tokens can also unlock new token layers that allow users to access and trade these tokens across the DeFi landscape.

Again, the non-custodial aspect of automated market makers is an essential aspect of the DeFi ecosystem. On these platforms, investors can maintain complete control of their assets by getting more LP tokens for ETH into the liquidity pool, which is managed by an integrated code. LP tokens reflect a liquidity provider's pool share.

## HJH Investments Executive Team

### **Cory Harkleroad – (CEO)**

Cory founded HJH Investments in 2014. He has a broker's license in Kansas and has more than 20 years of real estate experience. During his career, Cory has invested, counseled, managed, sold, and purchased most facets of commercial real estate. He is well-versed in the existing commercial real estate market dynamics and skillfully negotiates and closes complex, high-caliber real estate transactions. Cory is an active investor in many HJH properties and holds an ownership stake in all of them.

### **Jennifer Phister – (Controller and Lead Accountant)**

Jennifer partnered with HJH in 2017, bringing with her a successful finance and accounting background. As Controller, she is responsible for the firm's financial health, handles all financial transactions for every acquisition, oversees all assets under management, and serves as the investor liaison post-transaction. Jennifer is also an active investor in HJH properties and holds an ownership stake in many.

### **Adrian Aizenstat – (Director, Head of Capital Markets)**

As head of capital markets, Adrian is responsible for the firm's financing activities, including debt and equity capital. He began his career at Wells Fargo Bank's Special Situations Group and has since amassed a global track record in real estate, principal investing, and alternative asset categories (>\$1 billion in debt/equity transactions). Adrian earned his MBA at Columbia Business School and his BSBA in the Honors Finance Program from the University of Florida, where he was designated as a Warrington Finance Scholar. He is actively engaged in several community, civic, and economic development organizations, having held several leadership positions.

### **Karin Meier – (Director of Property Management and Leasing)**

Karin joined the HJH team with 20 years of commercial real estate experience. As Regional Director of Property Management and Leasing, her role is to oversee property operations, third-party property managers, and drive occupancy through negotiating and executing new and renewal leasing transactions. She thrives on challenges and works diligently to understand local market conditions for the ongoing enhancement strategy for property leasing and operations. Karin earned her bachelor's degree from the University of Michigan-Dearborn and has an MBA from the University of Detroit-Mercy.

### **Kimberly Brown – (Director of Accounting)**

Kim joined the HJH team in 2021 with more than 17 years of experience in accounting, previously working as a senior accountant and in managerial roles for two prominent banks. She thrives on systems and processes, making her well-suited for her responsibilities in processing quarterly returns, CAM reconciliations, and budgets. Kim graduated Magna Cum Laude from Newman University, earning a Bachelor of Science in accounting. She also has an associate degree in baking and pastry and loves to bake in her free time.

### **Ashley Ruckman – (Director of Marketing)**

Ashley comes to the commercial real estate world from the nonprofit sector, with more than 15 years of experience in marketing, graphic design, and public relations. She has a BA in communications with an emphasis in integrated marketing communications from Wichita State University. Ashley is responsible for all marketing activities at HJH, including the creation of marketing collateral for all properties, managing website and social media content, and overseeing the company's marketing efforts.

### **Dianna Stovall – (Transaction Manager and Investor Liaison)**

With over 10 years of commercial real estate experience, including serving in a similar capacity for seven years at the largest commercial real estate brokerage in Wichita, Kansas, Dianna is well-suited for her role. She drives transactions from receipt of a signed contract to the closing on the property. In addition, she is the direct liaison to investors during the acquisition process, after which she passes them over to Jennifer Phister, the HJH Investments' Controller.

### **John Post – (Property Research Analyst)**

John has been a licensed Realtor in the state of Kansas for nine years and is a co-founder of HJH Investments. John spends his time carefully pouring over commercial databases looking for just-on-the-market or off-market properties that fit the HJH criteria for success. John has a bachelor's degree in music from Missouri Baptist University. John is actively invested in several properties and holds an ownership stake in all of them.

### **John Potochnik – (Financial Analyst)**

John has been a licensed Realtor in the state of Kansas for 10 years. Prior to his real estate career, John spent almost 30 years in the high-tech industry working mostly in project management for state-of-the-art storage solutions. He holds BS and MS degrees in computer science and does the financial analysis for acquisitions. He also serves as the interface to lenders and outside counsel. John is an active investor in more than half of the properties in the HJH portfolio.

## **Acknowledgments**

HJH Investments engaged the services of Rexnet LLC ([www.rexnet.io](http://www.rexnet.io)), a custom coin developer and real estate postings and exchange network, to create its HJH REAL token.

HJH Investments Founder and CEO Cory Harkleroad conceived of the two unique HJH REAL utilitarian pricing algorithms, one based on financial assets and income data and the other on a transaction-based Proof-of-Volume concept.

The REXNET token pricing is predicated on a different Proof-of-Use™ algorithm that calculates the price as a function of crypto usage in real estate transactions.

Rexnet co-Founders Robert W. Steele and Gary M. Koeppel with Rexnet's technical crypto consultant, Mike Bardi, are grateful for the opportunity to collaborate with HJH Investments founder Cory Harkleroad to execute his vision of a unique, cutting edge HJH REAL cryptocurrency token.

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