

**PARTNERSHIP AGREEMENT FOR INVESTMENT IN THE FREE ZONE  
OF INNOVATION SA or**

**INNOVATION SMART DISTRICT (trade name)**

The undersigned, **EDUARDO CHANG**, male, Panamanian, of legal age, single, resident of this city, bearer of personal identity card number 8-304-891, acting on behalf of **SMART CITY GREEN SA**, a duly registered corporation Electronic Folio one five five seven one five seven four (155715744), in the offices of the Public Registry of Panama and **ZONA FRANCA DE LA INNOVACIÓN SA**, a corporation duly registered on Electronic Folio No. 155648287 of the Mercantile Section of the Public Registry of the Republic of Panama, hereinafter **ZFI**, hereby makes public the conditions to those who adhere to this association contract for investment in the Innovation Free Zone or in its commercial name, Innovation Smart District, based on the following:

**A. PRIOR DECLARATIONS**

- 1.** That Smart City Green is the sole shareholder and owner of Zona Franca de la Innovación SA
- 2.** That the National Commission of Free Zones of Panama through Resolution No. 195 of February 18, 2021 registered THE COMPANY as Promoter and Operator of the Free Zone called **ZONA FRANCA DE LA INNOVACIÓN** or its commercial name, Innovation Smart District, recognizing the company **ZONA FRANCA DE LA INNOVACIÓN, SA**, as a beneficiary of the migratory, labor and tax incentives (specifically set forth in articles 30 to 37 and concordant of Law No. 32 of April 5, 2011), provided for in the Special, Comprehensive Regime and Simplified of Free Zones, its modifications and its regulations. Resolution No. 195

of February 18, 2021 is included as an annex and forms an integral part of this document.

3. ZFI declares that it has all the property and exploitation rights over the 129,872 m<sup>2</sup> of land that make up the Innovation Smart District within Green Valley Panama, of which 69,848 m<sup>2</sup> have the benefits described in the previous point and that the other 60,024 m<sup>2</sup> are in process. of incorporation since they are entitled according to law. ZFI declares to be the owner of the following Estates: Estate number 30246076 with location code 8713 of 2000 m<sup>2</sup>, Estate number 30383603 with location code 8713 of 22,313.6 m<sup>2</sup>, Estate number 30160537 with location code 8712 of 27154 m<sup>2</sup>, Estate number 30383602 with location code 8713 of 29204.26 m<sup>2</sup>. The rest of the land balloons up to 129,872 m<sup>2</sup>, that is, 48,200.68 m<sup>2</sup>, are in the process of segregation and transfer to ZFI by virtue of the promise of sale agreement with the owners who are from the same economic group as ZFI and Smart City Green. Said transfer will be perfected before June 1, 2023. A map of the Estates and globes of land are attached as an annex to this document.

4. The land owned by the ZFI will later be guarded in a Trust institution and the Trust must comply with the provisions of the Trust. Beneficiary: ZFI or whoever it decides. Trustor: Smart City Green or whoever decides. The trust may be transferred to another trust institution approved and regulated in the Republic of Panama maintaining the same rights and duties of the issuer and the tokenholders .

5. The Innovation Smart District is a project whose owner is **ZFI**. This project has implemented blockchain technology to raise funds through the sale of tokens, as a participatory, decentralized, transparent and technological way of raising capital.

6. The Innovation Smart District is intended for the development of infrastructure and the construction of office buildings, shops and apartments that will be rented and sold for the implementation of companies to develop any of the activities authorized by current regulations for the Special, Comprehensive Regime

and Simplified Free Zones. Located in Green Valley Panama, in the north of Panama City, conceived as the first Smart City in Latin America, built with the best infrastructure and in a spectacular green environment. Fully connected to the city center, the banking area and the airport. Green Valley has a fiber optic network that runs through the entire project and urban planning designed for people and sustainability. These qualities make Green Valley the ideal place for the first Innovation Free Zone in Panama. Panama, located exactly in the center of the American continent, is one of the best kept secrets. Panama is known for its canal, for being a financial center and for its air hub, but few know that it is an incredible place to live. The beaches of Panama have nothing to envy to those of Punta Cana, its vegetation is as lush as the Amazon and it has world-class surfing, diving and fishing spots. Panama City is a cosmopolitan city that has undergone a strong transformation due to public and private investment in the last 20 years, where the country's GDP has multiplied by 5. It has modern infrastructures, a wide and growing public transport system, international quality hospitals, restaurants from all over the world and reliable and fast internet connection. Many multinational companies and world organizations have their headquarters in Panama, but there is still a lot of room for growth. All this makes Panama a spectacular place to live that coincides with the new trend of Modus Vivendi of the human being giving more importance to happiness and family and personal conciliation. Panama is a country called to be the great international connection, thanks to the fact that it is a land with few natural disasters, an enviable geographical position, known for being the bridge of the world and the heart of the universe. Therefore, it is an ideal place to invest and live.

The Innovation Smart District will be the place where international companies with an interest in the field of innovation are established. The companies and organizations established in the Innovation Smart District will generate jobs in

Panama and throughout the world since from the Innovation Smart District they will be able to create, coordinate, direct and manage products and projects throughout the world. The development of teleworking and virtual study has shown that companies, organizations and educational centers can carry out a large part of their activity virtually while maintaining their productivity and quality, which is why more and more companies and services will be relocated. The Innovation Smart District will be the headquarters of relocated companies, departments or professionals thanks to the location, the infrastructure and the benefits it offers. From where they will direct and coordinate all kinds of work around the world. Innovation Smart District will be dedicated to the sale, rental and operation of its infrastructures and will be the center of direction and management of a multitude of activities and companies.

Innovation Smart District will be dedicated to the sale, rental and exploitation of its infrastructures and to as many businesses as may arise within it.

7. This contract deals with an investment association contract where the tokenholder , upon signing (annexing) this contract, will buy, through the Marketplace (defined later and chosen by the developers) digital tokens which will be used, in accordance with the agreed rules. in this document, in order to develop the Innovation Smart District, which must be operated and managed by **ZFI**, a corporation that has all the corresponding permits under Panamanian law to manage this type of project. This contract is of a private nature, of a civil nature, subject to the rules and customs of all investment contracts, and in no case can it be called a banking or other nature.

8. The tokenholders when signing this contract and complying with its clauses are buying tokens, within the respective Marketplace.

9. The acquisition, possession or enjoyment of the tokens does not represent in any case the actions of the company.

**10.** **ZFI** 's shareholders are the developers of the Innovation Smart District.

**11.** **ZFI** will be in charge of the management, operation and administration of the project and will have certain rights and obligations.

**12.** The developers or shareholders of the ZFI, will be in charge of the direction of the management and direction of the operation and administration and will have some rights and obligations. The developer is Smart City Green SA, a corporation duly registered in the Electronic Folio one five five seven one five seven four (155715744), in the offices of the Public Registry of Panama.

**13.** This declaration will serve for digital implementation through the *White Paper* and the necessary methods for the development and use of blockchain technology will be used.

## **B. DEFINITIONS:**

Developer: They are the owners of type A shares of **ZONA FRANCA DE LA INNOVACIÓN SA** , a corporation duly registered on Electronic Folio No. 155648287 of the Mercantile Section of the Public Registry of the Republic of Panama. The developer is Smart City Green SA, a corporation duly registered in the Electronic Folio one five five seven one five seven four (155715744), in the offices of the Public Registry of Panama.

ISD: Innovation Smart District. Commercial name of the Innovation Free Zone.

Manager: Promoter and Operator of the Free Zone called INNOVATION FREE ZONE, in accordance with Resolution No. 195 of February 18, 2021.

Token: unit of value that an organization creates to govern its business model and give its users more power to interact with its products, while facilitating the distribution and sharing of benefits among all its tokenholders.

Asset Tokenization: Tokenization refers to the issuance of blockchain-enabled tokens that represent actual tradable assets, whether they are company shares, commodities, artwork, real estate, or money, among others.

Security Token: is a token, issued on a blockchain, that represents a stake in some external company or asset. Security tokens can be issued by different types of entities, such as companies or governments, and serve the same purposes as their titular counterparts (ie securities, bonds, etc.).

( STO ) : ( Security Token Offering): Offer initial of the security token.

Blockchain: The chain of blocks, better known by the English term blockchain, is a single record, agreed upon and distributed in various nodes of a network. In the case of cryptocurrencies, we can think of it as the accounting book where each of the transactions is recorded. In each block, a number of valid records or transactions, information regarding that block, link with the previous block and the next block through each block are stored. Therefore, each block has a specific and immovable place within the chain, since each block contains information about the hash of the previous block. The complete chain is stored in each node of the network that makes up the blockchain, so an exact copy of the chain is stored in all the participants of the network. As new records are created, they are first verified and validated by network nodes and then added to a new block that is linked to the chain.

Marketplace: The Marketplace is a site where products are offered by merchants to be purchased by consumers, that is, a market in the online world.

Smart Contracts : or a smart contract in Spanish refers to a contract that is executed by itself without the intermediary of third parties and is written as a computer program instead of using a printed document with legal language.

Smart contract ISD Token Blockchain : ISD Token Specific Smart Contract

Custody Trust Agreement: Agreement that establishes the custody of the assets by the Trust.

Innovation Smart District (ISD) Token : Token referred to in this contract

Tokenholder : owner of the ISD Token, purchased in the Marketplace used for such purpose, subject to the rules and conditions that said Marketplace and that this contract establishes.

Cryptocustody : Custody of crypto assets integrating physical and digital security.

Whitepaper : A White Paper is the manifesto written by the person or persons who create a cryptocurrency detailing everything related to it: technology used, summary of the concept, future applications.

Crypto wallet : It is a technological artifact (it can be software, hardware or even a piece of paper) where we keep cryptocurrencies . The most used means to store cryptocurrencies is through software, either an app on our smartphone or a program running on our computer. If we go into the operation of a crypto wallet , we are going to discover that it does not actually store any crypto currency or crypto assets, because the concept of a crypto physical or virtual currency, it does not exist in the blockchain. What the crypto stores wallet is the private key that has the right to spend the bitcoins that were transferred from one bitcoin address to another.

distributed ledger Technology (DLT) or Distributed Ledger Technology is an electronic system or database for recording information that is not run by a single entity. They allow us to store and use data that can be decentralized (stored in multiple places) and distributed (connected and therefore able to communicate) both privately and publicly.

### C. ASSOCIATION CLAUSES:

**FIRST:** Smart City Green has tokenized **ZFI, owner of the assets of the Innovation Smart District**, creating 1,000,000,000 (ONE BILLION) of security

tokens for sale. No more tokens than those stipulated in this clause will be created. These tokens are called ISD Token (Innovation Smart District Token). Their price, as well as other conditions for their purchase, will be in the respective Marketplaces where they are offered.

At the time of creation of these tokens, they are owned by Smart City Green SA which is the issuer. 1,000,000,000 (BILLION) of ISD Tokens are going to be issued. The ISD Tokens will be backed by all the assets of the ZFI.

The issuer, Smart City Green, agrees to transfer 40% from the sale of the ISD Token in the respective Marketplace, to ZFI so that it can build infrastructure and buildings within the Innovation Smart District. For the calculation of said transfer, a maximum valuation of \$0.14 per ISD Token will be taken. This commitment excludes the seed capital sale round that appears in the roadmap that appears in the third clause of this contract.

Innovation Smart District will be dedicated to the sale, rental and exploitation of its infrastructures, assets and any other business that is so decided, whose returns the tokenholders will have rights to. Smart City Green will receive 30% of the profits produced in the Innovation Smart District and 70% of the remaining profits will be distributed among all the tokenholders or owners of tokens.

Any equity sale of ZFI properties, whether they are land, assets, infrastructure or buildings, the tokenholders retain their rights in the proportions established in the previous paragraph.

All information related to the tokens can be consulted on the website [www.isdistrict.com](http://www.isdistrict.com)

The benefits of asset tokenization are:

- It allows to digitally represent any aspect of reality in a blockchain.
- Enable the ability of absolute traceability for each tokenized object or asset .
- It generates systems that can be audited completely or discriminated in a simple way, facilitating this task.
- Increases the transparency and security of computer systems.



- It opens the doors to new schemes, work and security structures in all areas.
- It decentralizes the intrinsic processes of the tokenized system , which ends up offering greater control, privacy and security in them.
- It allows to reduce intermediaries and thus reduces operating costs.
- It reduces the duplication of information and adds redundancy to the processes that handle it.

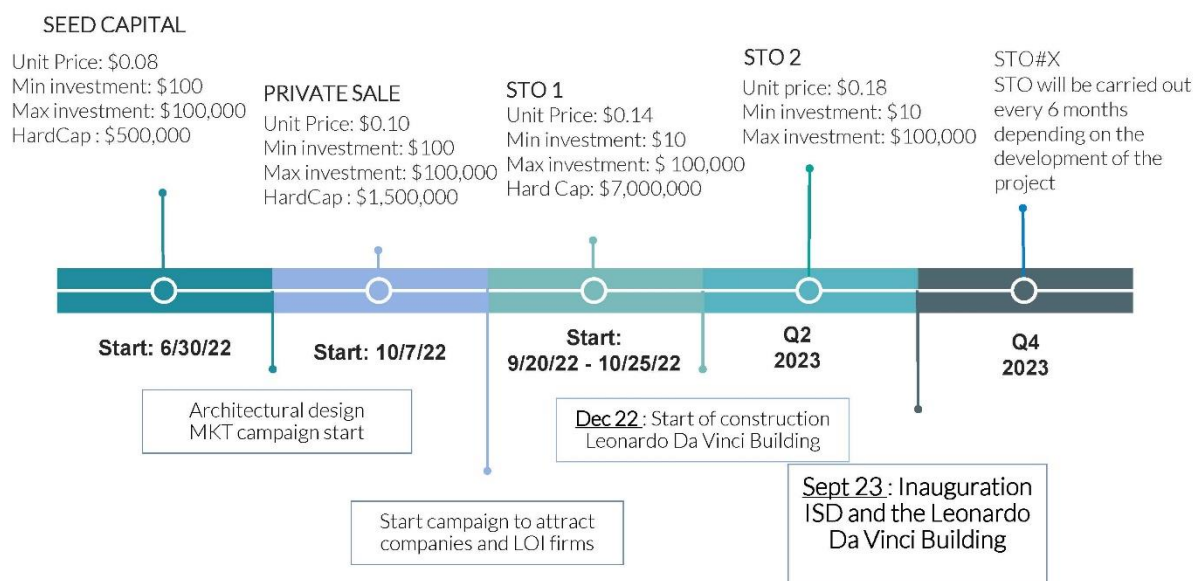
**SECOND:** The tokens created are called ISD Token ( Innovation Smart District Tokens) and will use the blockchain technology based on the Ethereum network with the ERC20 standard.

**THIRD:** The trading of the token will be carried out in the following phases with their respective order:

- Seed capital
- Private sale
- S.T.O.
- Successive STOs

## ROADMAP ISD TOKEN

Total issue: 1,000,000,000  
ISD Starting Value: \$115,878,941



The initial commercialization will be carried out in the following Marketplace:

[www.isdistrict.com](http://www.isdistrict.com)

**QUARTER:** The ZFI is the administrator and manager of the Innovation Smart District and shall have the following rights and obligations, subject to the approval of the developers:

Rights:

1. Make the civil, administrative and labor decisions necessary to specify, finalize and manage the project.
2. Legally represent the company both in the sphere of public law and private law.
3. Negotiate on behalf of the company with clients, contractor suppliers, autonomous entities, semi-autonomous entities, commercial entities and similar figures.
4. Grant the necessary powers that you consider to delegate functions or make decisions in accordance with the law that represent the best interests of the project.
5. Appear before any judicial and arbitration bodies and institutions in order to represent and defend the interests of the ZFI and its associates as widely as the law allows.

Obligations:

1. Develop, promote, administer, maintain, manage the Innovation Smart District and derived businesses with transparency and in compliance with the laws

of the Republic of Panama and the international regulations sanctioned by the Panamanian government.

2. Defray the expenses of the Innovation Smart District
3. Defray the costs of maintaining the blockchain and its derivatives.
4. Dedicate the care required for the realization of the project
5. Prepare and publish annual financial information
6. Be transparent and provide information about the ZFI and the Innovation Smart District to the tokenholders and whoever has rights over it.
7. Provide information on business activities, including products, competition, markets and potential risks.
8. Provide information on the properties of the company, including significant changes in participation.
9. Carry a good name in order to enhance the project more and more.

**FIFTH:** The developers , that is, Smart City Green SA will carry out the management of the ZFI and the Innovation Smart District and will have the following rights and obligations:

**Obligations:**

1. Give 40% of the proceeds from the sale of ISD Token ( Innovation Smart District Token ) in the respective Marketplace at a maximum valuation of \$0.14 per token, to **ZFI** to invest in infrastructure, buildings and business development within the Innovation Smart District. The seed capital sale round is excluded from this obligation .

Example 1: In a public sale round, \$5M is placed at a valuation of \$0.10/ISD Token. Developers donate \$2M to the Innovation Smart District.

Example 2: In a public sale round, \$20M is placed at a valuation of \$0.20/ISD Token. Developers donate \$5.6M to the Innovation Smart District.

Rights:

1. Charge of 30% of profits for project management.
2. To own the concept of the project and the token, their copyright, industrial property, intellectual property, in accordance with the laws of the Republic of Panama, as well as international treaties.
3. All rights related to Law 27 of 1932 on corporations.

None of the developers will have the right to receive a salary from the ZFI, but in the event that they have to incur expenses for promotion or representation, these will be covered by the resources allocated for expenses of the ZFI according to the budget.

Once the tokens are put up for sale on the Marketplace, ZFI and the developers are only responsible for the facts or obligations contracted in this contract and therefore in the management and development of the project, but have no obligation with respect to the purchase and sale of tokens (the market of the same), remaining, in case of claim, the responsibility in the respective Marketplace.

In turn, ZFI is not responsible for the obligations described in the previous paragraph. Therefore, it is not responsible for events not attributable to the company, and there is no type of liability, joint, several, subsidiary, joint, or of any kind, for reasons attributable to third parties.

**SIXTH:** The owners of the tokens, for the purposes of this contract called **TOKENHOLDERS**, will have the following rights and obligations, in addition to those established in the respective Marketplace:

## Rights:

1. Sell, redeem and transfer your token.
2. Right to receive rewards or returns: the tokenholder is entitled to the benefits referred to in this document (rewards or returns) distributed by the company based on the number of tokens over the total. It should be clear that the distribution or not of benefits (rewards or returns) is a decision of the Board of Directors or its equivalent to the Executive Body. Without benefits there are no rewards, but the fact that they have been generated does not imply that they must be distributed.
3. Right of transfer of tokens
4. Right to participate in the decision processes of the ISD Token community
5. Right to information of political, economic and administrative content.
6. Right to convert their tokens into type B shares, that is, keeping their economic rights. The possibility of converting the token to action will be from the moment that the developer authorizes it, which will be a maximum of 2 years after the STO. In the case of exchanging the token for B shares, it must be for a minimum of 1,000 tokens and a multiple of 1,000 tokens, since there is one type B share for every 1,000 tokens. In the case of exchange, the tokens exchanged for shares will be destroyed. The amount of tokens converted to shares is public and will be shared with all tokenholders.

The land owned by ZFI and from there all the businesses that are developed in the ISD and its productivity will be for the benefit of the owners of the ISD Tokens or tokenholders. The right of the tokenholders to the benefits of the operation, of the yields and of any economic result of the property and of the company is always for the benefit of the tokenholders. This includes both the distribution of present and future economic returns and the capitalization of the Innovation Smart District.

Obligations:

1. Make the respective payment to the Marketplace and comply with its rules.
2. Comply with compliance regulations , including measures against money laundering, the financing of terrorism and the financing of the proliferation of weapons of mass destruction in accordance with Law 23 of April 27, 2015, as well as international treaties on the matter .

The owners of the tokens do not make decisions in the administration, management or operation of the project. Your participation is limited to being a tokenholder in order to capitalize through tokens the assets necessary to be able to develop the project and to be able to have profits from the same product of the valuation of your token as a result of the development of the project and through benefits (rewards or yields) of the EPZ.

No associate/investor will be allowed to prove the commission of serious crimes either in the Republic of Panama, or where he/she is a national or resident. Therefore, any transaction made that does not comply with this rule is declared null and void, releasing the ZFI from any responsibility, both its shareholders and dignitaries, directors, managers, workers, as well as the other tokenholders.

**SEVENTH:** All the rights and obligations of the developers, managers and tokenholders are established in the Articles of Incorporation of the ZFI companies and will be safeguarded by a Custody Trust.

**EIGHTH:** ZFI will offer a crypto custody service to tokenholders should they require it. This service will have an associated cost defined in the corresponding Marketplace.

**NINTH:** ZFI will use blockchain technology to implement SmartContrats both for the sale of tokens and for the administration and management of the Innovation Smart District . The token trading platform may change in the event of an error or hack . The change of platform must be justified by a computer attack or by the inability of the platform to offer a secure service. The change will always be made in favor of the interests of the tokenholders . In case of hacking by third parties that affects the tokenholders and the token exchange platform , SCG reserves the right to reconstruct the blockchain and the tokens that represent the assets in order to safeguard the interests of the tokenholders .

**TENTH:** (Participation of the community): The community will have all the right to write requests and suggestions to the developer and/or manager. For this, an effective method of communication and link between the parties will be created.

**ELEVENTH:** (Dispute Resolution)

Any litigation or controversy arising from or related to this contract, as well as the interpretation, application, execution and termination of this, must be resolved through arbitration in law, by the Conciliation and Arbitration Center of Panama and in accordance with its rules of process. If it were the case that the Conciliation and Arbitration Center of Panama does not provide such services in the future, the provisions on arbitration in force at that time in the Republic of Panama will apply. The Law applicable to this Contract will be that of the Republic of Panama and the language of the arbitration will be Spanish.

**TWELFTH** : It is understood between THE PARTIES that the declaration of nullity, invalidity or ineffectiveness of some of the clauses or stipulations of this CONTRACT will not affect in any way the full validity, binding nature and effectiveness of the other clauses and stipulations of the CONTRACT, which They will be interpreted and applied to give them maximum validity, obligation and effectiveness as agreed.

**: This document will be published on the ZFI Marketplace and communication channels.**

Given in Panama, on June 27, 2021,

**EDUARDO CHANG  
ZONA FRANCA DE LA INNOVACION SA ,**

**EDUARDO CHANG  
SMART CITY GREEN SA ,**