

The background features a complex network of grey lines and dots, resembling a social or data network, overlaid on a white background. At the bottom, there is a silhouette of a city skyline in shades of blue, with various building shapes and trees.

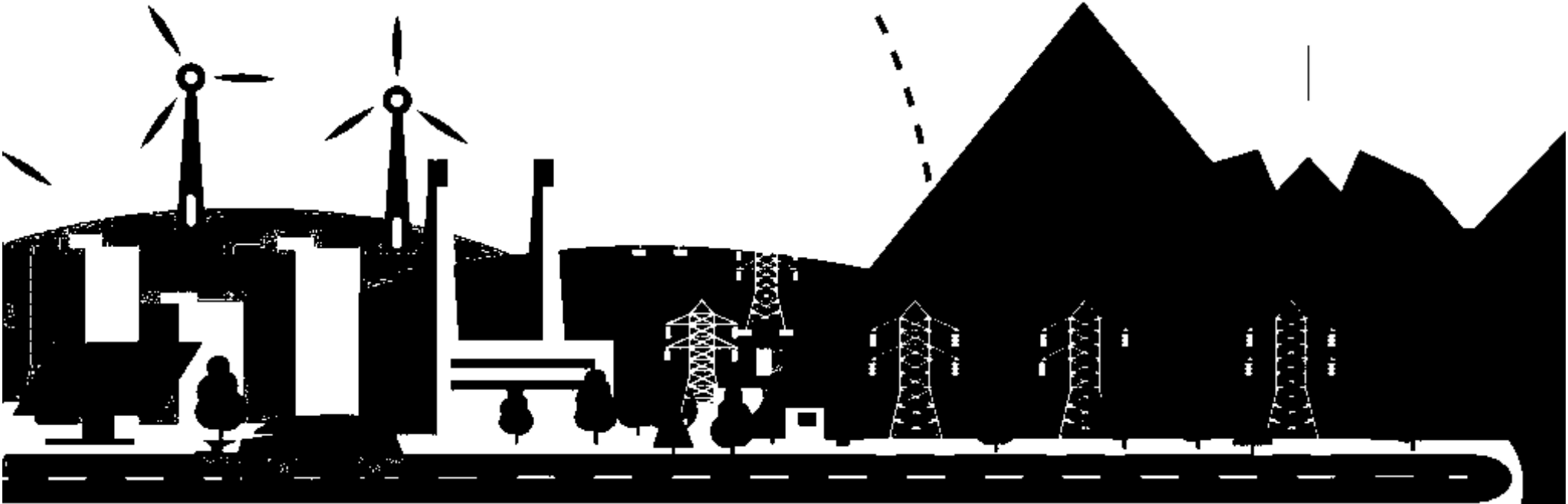
HSC



Community Investment Authority for Low to Moderate-Income (LMI) residents in disadvantaged areas.

Local Investments You Know and Grow

- ✓ Private Credit
- ✓ Private Equity
- ✓ Real World Assets
- ✓ Private Public Partnership
- ✓ Community Infrastructure



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About HSC

Hill Scott Corporation (HSC)

A Community Investment Authority operating as a local community service agency for securities depository and clearing.

Key Functions

HSC provides private investment underwriting, custody, clearing, liquidity, and funding services through advanced corporate treasury and banking technologies.

Authority

HSC is governed by its internal electoral bodies, which oversee investments within designated special districts while maintaining the independence necessary to deliver effective results for its shareholders.

Register Office

Status: S Corp

State Charter: Louisiana 43529778N

IRS Certificate ID: 830549261

LEI: 2549003ACFD25STVD730

CIK: 1792311

BIC: HSCPUS42XXX

MSB: 31000171643362

Registered Officer

Hillery M. Scott, CFO

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Solutions

HSC offers six innovative services for Community Investment Authorities:

- **Partnership:** Public–private partnerships between contractors and investors
- **Administration:** Fiduciary auxiliary contracting
- **Development:** Investment planning and underwriting
- **Treasuries:** Securities depository, clearing, and settlement
- **Banking:** Master Trust and FBO bank accounts
- **Audit Trails:** Account reconciliation, recordkeeping, and reporting

Note: These services are provided online, with Source-of-Proof (SOP) consensus, through HSC’s **Treasury Banking Portal**, serving as a custodial and escrow solution.



Source of Funds

Investment funds are supported by local investment securitizations designed to finance community programs in disadvantaged areas within designated “**Special Districts.**”

Key Incentive:

Community investment credit incentives are provided based on a range of regulatory tasks and procurements associated with “**Community Investment Accounts.**”

Community Investments Accounts

Community Investment Accounts are structured as “**FBO Bank Accounts**”—specifically Demand Deposit Accounts (**DDAs**) governed under a Deposit Account Control Agreement (**DACA**).

These DDAs provide residents the opportunity to invest money, time, or resources into HSC’s community investment treasuries and programs, with the expectation of receiving dividends.

Demand Deposit Accounts:

Stock Account Account for stock purchase and sale (Non-Accredited Investors)	Margin Account Account for stock credit for (Non-Accredited Investors)	Bond Account Account for bond purchase and dividends (Accredited Investors)
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Bank Key Benefits

When the bank provides depository products and services that support HSC's community activities, it will receive:

- ✓ **Large Deposits** – Increases the bank's reserve infrastructure (minimum \$250,000 deposit).
- ✓ **Upfront Investment Discounts** – Securities face value paid on sweep.
- ✓ **Revenue Sharing** – Converts deposit accounts into recurring revenue charges.
- ✓ Qualification for Community Reinvestment Act (CRA) Benefits.

Note: Community Re-Investment Act (**CRA**), offer credit incentives with (OCC, FDIC, and Federal Reserve) under 12 C.F.R. §25.12(g)

Key CRA Qualifications

Banks can provide depository products and services for CRA purposes as follows:

- Document the bank's investments through its products and services.
- Maintain an annual Community Impact Report showing measurable CRA outcomes (e.g., number of LMI beneficiaries, census tract data, and project results)
- Provide the bank with documentation and data necessary to support CRA examination reviews.

Standard Revenue Sharing Discounts

The following percentages apply with \$250,000 threshold.

Investment Discount	Bank Share	HSC Share
Deposit NIM	60%	40%
Float Income	50%	50%
Transaction Fees	40%	60%
QR/Barcode Processing	40%	60%
Ledger-Based Transfer Fees	35%	65%
Custodial Account Fees	60%	40%
Settlement & Posting Fees	70%	30%
Interest Income (if creditor)	10%	90%
Underwriting Fee	0%	100%
Credit Origination Fees	10%	90%
Program Management (Committee)	5%	95%
Technology/API Fees	0%	100%

These can be negotiated, but the table above reflects standard fintech–bank economics aligned with BaaS and treasury partnership norms.

Roles and Responsibilities

HSC will:

- ✓ Manage investments, customer acquisition, onboarding flows, and service delivery.
- ✓ Provide internal ledger technology used for credit transfers and value origination.
- ✓ Provide API-enabled transaction data.
- ✓ Provide program policies, procedures, and technological documentation to the Bank.
- ✓ Comply with the Bank's oversight, audits, monitoring requirements, and risk controls.
- ✓ Maintain federal, state, and local securities-entitlement registers.

The Bank will:

- ✓ Provide access to deposit account services.
- ✓ Perform all required regulatory functions, including BSA/AML, OFAC screening, fraud monitoring, suspicious activity reporting, and compliance oversight.
- ✓ Maintain required regulatory reporting.
- ✓ Support API connectivity, ledger-settlement posting, and transaction processing.

Joint Governance Committee

HSC will establish a Program Governance Committee, consisting of representatives from the Bank, the HSC Board, and community members as needed.

The committee will:

- ✓ Review program performance and risk
- ✓ Approve major program changes
- ✓ Resolve escalations
- ✓ Review revenue calculations
- ✓ Approve new product features

Note: The committee, along with the relationship manager, treasury operations, and legal/risk divisions, may monitor aggregate investment cash balances and deposit forecasts in real time.

Compliance & Risk Management

- ✓ **Due Diligence:** Comprehensive background investigations and risk screening on all investors, developers, and vendors.
- ✓ **Compliance Data Access:** Access to relevant compliance and transaction data for oversight and audit readiness.
- ✓ **AML/KYC MSB and Sanctions** under the **Bank Secrecy Act (BSA)**, **FinCEN**, and **OFAC** requirements, with periodic audits
- ✓ **Source of Funds and Proof:** Direct access to corporate treasury ledger for direct ledger monitoring.

Technology & Security

HSC maintain:

- SOC-influenced controls
- Data encryption (AES-256 or Bank-required)
- Secure key storage
- Multi-factor authentication
- Zero-trust or role-based access



Contract Package

- Master Services Agreement (MSA)
- Program Management Agreement (PMA)
- Revenue Sharing Schedule
- Compliance Delegation Agreement
- Pre Funding Agreement
- Deposit Agreement
- Lockbox Agreement (QRC and Barcode Processing)
- Technology & API Agreement

Community Investment Tiers

HSC provide 9 Community Investment Tiers for grant making and allocation under 12 C.F.R. §25.12(g) under OCC and FFIEC rules:

Tier 1 – Corporate Stock Plan for (Key Executive & Staff Payroll)

Tier 2 – Joint Governance Committee (Check & Balance)

Tier 3 – Special District Development – (Public Consent)

Tier 4 – Planning, Development and Valuation

Tier 5 – Securities, certification, and registration

Tier 6 – Treasury Custody and Liquidity (Treasury Account)

Tier 7 - Bank Deposit and Clearing (Master Account)

Tier 8 – Construction and Payment (FBO Account)

Tier 9 - Reconciliation and Reporting