

ANCHOR POINT CONSTRUCTION

Reinforced Concrete Structures | Foundations & Shoring | Geotechnical Construction

LETTER OF INTENT

Operating Agreement in Principle

Kasim Khan & Sarkis Diarbi

Co-Founders

June [●], 2026 | New York, New York

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1. Parties

This Letter of Intent (“**LOI**”) is entered into by and between the following individuals, collectively referred to herein as the “**Members**”:

Kasim Khan – Managing Member & Chief Executive

300 N Burger Ave, Staten Island, NY 10310

Phone: 917-654-7751

Email: kas.khan.416@gmail.com

Sarkis Diarbi – Capital & Investment Member

54 Dubois Ave, Staten Island, NY 10310

Phone: 917-500-8080

Email: sarkisdjarbi@hotmail.com

Together, the Members intend to form a limited liability company operating under the name Anchor Point Construction, LLC (“**Company**”), the terms of which are set forth herein.

2. Purpose & Business Description

The purpose of this LOI is to outline the mutual understanding and initial agreement reached between the Members regarding the formation and operation of Anchor Point Construction, LLC. The Company will specialize in the following disciplines:

- a. Reinforced concrete construction;
- b. Foundation construction;
- c. Drilled & driven piles (deep foundations);
- d. Geotechnical construction & engineering;
- e. Shoring & Excavation; and
- f. Development / Builder Pursuits & Renovate & Re-sale.

The Company will serve both private and public sector clients across commercial and residential markets, with an initial geographic focus on the Tri-State Area (New York, New Jersey, and Connecticut).

3. Equity & Ownership Structure

The Members agree to the following equity split in the Company:

- a. Kasim Khan: 51% membership interest
- b. Sarkis Diarbi: 49% membership interest

Kasim Khan’s 51% majority interest reflects his role as Managing Member with day-to-day operational authority and is necessary to satisfy eligibility requirements for Minority Business

Enterprise (“MBE”) and Veteran-Owned Business (“VOB”) certifications. Notwithstanding Kasim Khan’s majority ownership, Sarkis Diarbi shall retain the consent rights and financial protections set forth in Sections 4, 5, 12, 13, 14, and 15 of this LOI to protect his capital investment and financial interests.

The final legal ownership structure, including any applicable equity classes, vesting schedules, or buy-sell provisions, shall be defined in the formal Operating Agreement to be executed by both Members.

4. Roles & Responsibilities

The Members agree to the following division of responsibilities:

- a. **Kasim Khan – Managing Member.** Kasim Khan will assume full oversight and day-to-day management of the Company, including but not limited to: project operations, personnel management, subcontractor coordination, client relationships, and all business development activities. Kasim will also contribute organizational capital, his professional network, client base, industry expertise, and industry contacts as a foundational asset of the Company. Kasim Khan shall devote substantially all of his professional time and effort to the business and affairs of the Company.
- b. **Sarkis Diarbi – Capital Investment Member & Builder Pursuits.** Sarkis Diarbi will serve as the Company’s primary capital member, responsible for providing the financial investment necessary to fund operations upon launch. Day-to-day management responsibilities will rest with Kasim Khan. Sarkis’s role will be focused on capital oversight, development pursuits, renovation & re-sale projects, builder pursuits, and investment strategy.

Major Decision Consent Rights. Notwithstanding Kasim Khan’s authority as Managing Member, the following actions shall require the prior written consent of both Members:

- a. Any single expenditure or commitment exceeding Two Hundred Fifty Thousand Dollars (\$250,000), other than payments for labor, materials, or subcontractors on active, previously approved projects;
- b. Any borrowing, incurrence of indebtedness, or pledge of Company assets as collateral;
- ~~c. Entering into any contract with a total value exceeding Fifty Thousand Dollars (\$50,000);~~
- ~~d. Hiring or terminating any employee with an annual salary exceeding Seventy Five Thousand Dollars (\$75,000);~~
- e. Entering into any related-party transaction or any transaction in which Kasim Khan or any member of his immediate family has a direct or indirect financial interest;
- ~~f. Acquiring or disposing of any real property, or capital assets with a value exceeding Twenty Five Thousand Dollars (\$25,000);~~
- ~~g. Making or committing to any capital expenditure exceeding Twenty Five Thousand Dollars (\$25,000) not included in an approved annual budget;~~
- h. Expanding operations beyond the Tri-State Area or entering a new line of business;

- i. Admitting any new member or issuing any additional membership interests;
- j. Amending the Operating Agreement or the Company's Certificate of Formation, or changing the Company tax designation;
- k. Filing for bankruptcy or making an assignment for the benefit of creditors;
- l. Settling or compromising any litigation or claim with a value exceeding Ten Thousand Dollars (\$10,000); or
- m. Establishing or modifying any compensation, bonus, or benefit plan for any executive employee, with decision making authority;

Designated Representatives – Next Generation. Each Member has identified his son as an individual who may be considered for future participation in the Company. Sarkis Diarbi has identified his son, Serjio Diarbi, and Kasim Khan has identified his son, Iyan Khan (Serjio Diarbi and Iyan Khan together, the “**Successor Sons**”). This identification reflects the Members’ shared aspiration to include the next generation in the Company’s growth. However, this designation does not confer any ownership interest, agency authority, employment rights, or legal status upon either individual. Each Member shall determine any future involvement of the Successor Sons in the Company, including the timing and amount of transfer of any membership interest (including capital account), in consultation with the other Member and governed by the terms of the Operating Agreement.

5. Capital Contributions

The Members agree to the following initial capital structure:

- a. **Kasim Khan.** Contribution of organizational and pre-launch capital, including costs associated with legal formation, licensing, marketing, administrative setup, and the introduction of the Company’s initial client base and professional contacts. The parties agree that the fair value of Kasim Khan’s non-cash contribution shall be determined by mutual agreement of the Members, documented in writing, and set forth in the Operating Agreement. If the Members cannot agree on the valuation, they shall retain a qualified independent appraiser mutually acceptable to both Members to determine the fair value. The total pre-launch expenditures incurred by Kasim Khan prior to the Go-Live Date shall not exceed Fifty Thousand Dollars (\$50,000). ~~without the prior written consent of Sarkis Diarbi, and Kasim Khan shall provide Sarkis Diarbi with monthly written accountings of all pre-launch expenditures.~~
- b. **Sarkis Diarbi.** A fixed capital contribution of Five Hundred Thousand Dollars (USD \$500,000). This amount is fixed and represents the totality of Sarkis Diarbi’s financial obligation to the Company at the time of launch, to be deployed upon the Company’s official launch (“**Go-Live Date**”) to fund operations, equipment, working capital, and growth initiatives.
- c. **Deployment and Use of Capital Contributions.** Sarkis Diarbi’s capital contribution of \$500,000 shall be deposited into a dedicated Company operating account. The Managing Member shall prepare and submit to Sarkis Diarbi a proposed annual operating budget no later than thirty (30) days prior to the Go-Live Date and annually thereafter. The annual

budget must be approved in writing by both Members. Expenditures materially deviating from the approved budget shall require the prior written consent of Sarkis Diarbi.

- ~~**d. Consequences of Failure to Contribute.** If either Member fails to make a required capital contribution within thirty (30) days after the date such contribution is due, the non-defaulting Member shall provide written notice of default. If the defaulting Member fails to cure the default within fifteen (15) days after receipt of such notice, the non-defaulting Member may, at its election: (a) contribute the defaulting Member's share, with such amount treated as a loan to the defaulting Member bearing interest at the lesser of twelve percent (12%) per annum or the maximum rate permitted by law, secured by the defaulting Member's membership interest; (b) if the loan is not repaid within ninety (90) days, convert the outstanding loan balance into additional membership interest in favor of the non-defaulting Member, thereby diluting the defaulting Member's ownership proportionally; or (c) pursue dissolution of the Company pursuant to Section 21.~~
- e. Additional Capital Contributions.** No Member shall be required to make any capital contribution beyond the amounts set forth in this Section 5 without such Member's prior written consent. If additional capital is needed and one Member declines to contribute, the contributing Member may advance the needed funds as a member loan, which shall be repaid with interest before any distributions are made to Members. The terms of any member loan shall be documented in writing and approved by both Members.
- f.** The specific timing and conditions of capital contributions have been further defined under Section 19 - Non-Binding Nature & Next Steps.

6. Minority Business Enterprise & Veteran-Owned Business Certifications

The Members intend to pursue certification as a Minority Business Enterprise (MBE) and Veteran-Owned Business (VOB) through one or more applicable certifying authorities, which may include but are not limited to:

- a.** The New York City Department of Small Business Services (NYC SBS)
- b.** The Port Authority of New York & New Jersey (PANYNJ)
- c.** The New York State Empire State Development (ESD) - Division of Minority and Women-Owned Business Development
- d.** The U.S. Small Business Administration (SBA) - 8(a) Business Development Program
- e.** The National Minority Supplier Development Council (NMSDC)

Kasim Khan, as a 51% majority owner and Managing Member, will serve as the qualifying individual for MBE certification purposes. The Members acknowledge that MBE and VOB certification requires that the qualifying individual unconditionally own at least 51% of the Company in both form and substance, exercise independent control over the Company's day-to-day management and long-term decision-making, and that no agreements, side arrangements, or understandings may exist that effectively transfer control or economic benefit to a non-qualifying individual in a manner inconsistent with the ownership structure reflected in the Company's formation documents.

The Members affirm that the ownership and control structure set forth in this LOI accurately reflects the actual economic and operational arrangement between the Members. The consent rights retained by Sarkis Diarbi under Section 4 are protective in nature and do not constitute operational control of the Company for certification purposes.

Veteran-Owned Business Certification. The Members further intend to pursue Veteran-Owned Business (VOB) certification, recognizing that Kasim Khan is a veteran of the United States Armed Forces. Applicable certifying authorities may include but are not limited to:

- a. The U.S. Department of Veterans Affairs (VA) – Veteran-Owned Small Business (VOSB) Program;
- b. The U.S. Small Business Administration (SBA) – Veteran Small Business Certification (VetCert) Program;
- c. The New York State Division of Veterans’ Services – Service-Disabled Veteran-Owned Business Program; and
- d. The National Veteran-Owned Business Association.

The pursuit of all certifications shall be handled in consultation with legal counsel to ensure full compliance with all eligibility requirements.

7. Entity Structure (Limited Liability Company)

The Members agree that Anchor Point Construction shall be formed and operated as a limited liability company (“LLC”) under the New York Limited Liability Company Law. The Company shall file Articles of Organization with the New York Department of State and comply with the New York LLC publication requirement.

The Company shall be taxed as a partnership for federal income tax purposes (the default treatment for a multi-member LLC). Profits and losses will pass through to each Member’s individual tax return in accordance with their respective membership interests, subject to any special allocations set forth in the Operating Agreement. If the Members later determine that S Corporation or C corporation tax treatment would be more advantageous, the Company may elect S Corporation or C corporation tax status by filing IRS Form 2553 or 8832 (as applicable), while retaining its LLC legal structure.

The Operating Agreement shall govern the rights, obligations, and economic arrangements of the Members and shall address, at minimum:

- a. Capital account maintenance and adjustments;
- b. Allocation of profits, losses, and tax items, including any special allocations with substantial economic effect;
- c. Distribution priorities, including return of capital, preferred returns, and profit splits;
- d. Management authority, consent rights, and fiduciary duties;
- e. Transfer restrictions, buy-sell provisions, and admission of new members; and
- f. Dissolution and winding-up procedures.

g. If we proceed with an LLC – we will have stringent ownership / equity agreements in place that emulate corporation – stock distribution.

8. Financial Protections & Spending Controls

Recognizing that Sarkis Diarbi is contributing \$500,000 in cash capital and that Kasim Khan will exercise day-to-day management authority, and his industry experience and contracts are also valued at over \$500,000.00 - the following financial protections shall apply to safeguard Sarkis Diarbi's and Kasim Khans investment:

- a. Annual Budget Requirement.** The Managing Member shall prepare and present a detailed annual operating budget for partners approval no later than thirty (30) days before the start of each fiscal year.
- ~~**b. Spending Authority Limits.** The Managing Member may make ordinary course expenditures consistent with the approved annual budget without further consent. Any single expenditure or series of related expenditures exceeding Twenty Five Thousand Dollars (\$25,000) that is not contemplated by the approved budget shall require the prior written consent of Sarkis Diarbi.~~
- c. Separate Operating Account.** All Company funds, including Sarkis Diarbi's capital contribution, shall be maintained in a dedicated Company bank account. No Company funds shall be commingled with the personal funds of either Member. Both Members shall be signatories on all Company bank accounts.
- d. Financial Reporting.** The Managing Member shall provide Sarkis Diarbi with: (i) monthly financial statements, including a balance sheet, income statement, and cash flow statement, within fifteen (15) days after the end of each month; (ii) quarterly management reports detailing project status, pipeline, and key operational metrics; and (iii) annual financial statements audited by an independent certified public accountant selected by mutual agreement of the Members, within ninety (90) days after the end of each fiscal year.
- e. Books and Records.** The Company shall maintain complete and accurate books and records at its principal office. Sarkis Diarbi shall have the right to inspect and copy all Company books, records, bank statements, contracts, and financial documents upon reasonable notice during normal business hours.
- f. Prohibition on Self-Dealing.** Neither Kasim Khan nor Sarkis Diarbi, nor their agents, shall enter into any transaction on behalf of the Company with themselves, any member of their respective immediate family, or any entity in which either or any member of their immediate family holds a direct or indirect financial interest, without the prior written consent of the other Member and full disclosure of all material terms of such transaction.
- g. Fiduciary Duties.** Kasim Khan, as Managing Member, owes fiduciary duties of loyalty and care to the Company and to Sarkis Diarbi. Kasim Khan shall act in good faith, in the best interests of the Company, and with the care that a reasonably prudent person in a similar position would exercise. Kasim Khan shall not take any action that is intended to or has the effect of materially diminishing the value of Sarkis Diarbi's membership interest or the Company's assets. To the extent Sarkis Diarbi exercises management-like control over the Company, the same fiduciary duties shall apply to Sarkis Diarbi.

9. Managing Member Departure, Reduced Involvement & Investment Protection

The Members acknowledge that Sarkis Diarbi's \$500,000 capital contribution is made in substantial reliance on Kasim Khan's active, full-time involvement in managing the Company, contacts and contracts, as well as intellectual property with a value of \$500,000.00. The following provisions are intended to protect Sarkis Diarbi's and Kasim Khans investment if involvement materially diminishes:

- a. **Full-Time Commitment.** Kasim Khan agrees to devote substantially all of his professional time and effort to the business and affairs of the Company for a minimum period of five (5) years following the Go-Live Date ("**Commitment Period**"). "**Substantially all**" means that Kasim Khan shall not engage in any other business, employment, or consulting activity that requires more than ten (10) hours per week of his time without the prior written consent of Sarkis Diarbi.
- b. **Voluntary Departure.** If Kasim Khan or Sarkis Diarbi's voluntarily resigns, withdraws from, or ceases active involvement in the Company's management during the Commitment Period for any reason other than death, disability, or incapacity (a "**Voluntary Departure**"), the following shall apply:
 1. Sarkis Diarbi shall have the right, but not the obligation, to purchase Kasim Khan's entire membership interest at a price equal to the lesser of: (i) Kasim Khan's capital account balance as of the date of departure, or (ii) the fair market value of Kasim Khan's interest as determined by an independent appraiser, less a twenty percent (20%) discount for lack of marketability ("**Departure Buyout Price**").
 2. Kasim Khan shall have the right, but not the obligation, to purchase Sarkis Diarbi's entire membership interest at a price equal to the lesser of: (i) Sarkis Diarbi's capital account balance as of the date of departure, or (ii) the fair market value of Sarkis Diarbi's interest as determined by an independent appraiser, less a twenty percent (20%) discount for lack of marketability ("**Departure Buyout Price**").
 3. If Sarkis Diarbi does not elect to purchase Kasim Khan's interest, Sarkis Diarbi shall have the right to cause the Company to be dissolved and wound up, with distributions made in the following priority: (i) payment of all Company debts and obligations; (ii) return to Sarkis Diarbi of his unreturned capital contribution of \$500,000; (iii) return to Kasim Khan of his unreturned capital contribution; and (iv) any remaining assets distributed in accordance with the Members' respective membership interests.
 4. If Kasim Khan does not elect to purchase Sarkis Diarbi's interest, Kasim Khan shall have the right to cause the Company to be dissolved and wound up, with distributions made in the following priority: (i) payment of all Company debts and obligations; (ii) return to Kasim Khan of his unreturned capital contribution of \$500,000; (iii) return to Sarkis of his unreturned capital contribution; and (iv) any remaining assets distributed in accordance with the Members' respective membership interests.

- c. Reduced Involvement.** If Kasim Khan or Sarkis Diarbi materially reduces their involvement in the Company's operations during the Commitment Period without written consent, including but not limited to failing to perform the duties described in Section 4 or devoting substantial professional time to another business venture ("**Reduced Involvement**"), Sarkis Diarbi or Kasim Khan may deliver written notice specifying the nature of the reduced involvement. If Kasim Khan fails to cure the reduced involvement within thirty (30) days after receipt of such notice, Sarkis Diarbi and Kasim Khan shall have the same rights as set forth in Section 9(b) above, and such event shall be treated as a Voluntary Departure for all purposes under this LOI and the Operating Agreement.
- d. Pursuit of Competing Venture.** If Kasim Khan, during the Commitment Period, directly or indirectly engages in, owns (other than passive ownership of less than 5% of a publicly traded company), manages, operates, consults for, or provides services to any business that competes with the Company or operates in the same industry, Sarkis Diarbi may deliver written notice specifying the nature of the reduced involvement. If Kasim Khan fails to cure the reduced involvement within five (5) days after receipt of such notice, such conduct shall constitute a Voluntary Departure under Section 9(b) and shall also trigger the non-compete provisions of Section 16. In addition, Kasim Khan shall be liable to the Company for any damages resulting from the diversion of business opportunities.
- e. Capital Contribution Refund Priority.** In any buyout, dissolution, or winding-up of the Company triggered by Kasim Khan's or Sarkis Diarbi's Voluntary Departure or Reduced Involvement during the Commitment Period, Sarkis Diarbi and Kasim Khan shall receive a return of his unreturned capital contribution of \$500,000 (or the remaining balance thereof) before any distribution is made to Kasim Khan, regardless of the Members' respective ownership percentages. This priority shall survive any amendment to the Operating Agreement unless expressly waived in writing by Sarkis Diarbi.
- f. Post-Commitment Period.** After the expiration of the Commitment Period, Kasim Khan may withdraw from active management upon not less than one hundred eighty (180) days' prior written notice to Sarkis Diarbi. Upon such withdrawal, the Members shall negotiate in good faith regarding the future management of the Company, including engagement of a replacement manager. The buyout rights in Section 9(b) shall apply, except that the Departure Buyout Price shall be the fair market value of Kasim Khan's interest as determined by an independent appraiser, previous contract awards, and work pipeline.

10. Transfer of Membership Interests & Sale of the Business

Apart from the anticipated transfer to the Successor Sons, neither Member may sell, transfer, assign, or otherwise dispose of their membership interest in Anchor Point Construction, LLC without the prior written consent of the other Member. Any proposed transfer must also be approved by the remaining Member as to the identity and suitability of the prospective purchaser. No transfer shall be made to any party that has not been approved in writing by both Members.

- a. Right of First Refusal.** In the event that a Member wishes to sell or transfer their membership interest, the interest must first be offered in the following order of priority:
1. The other Member;
 2. The immediate family members of the selling Member; then

3. The immediate family members of the other Member.

For purposes of this LOI, “**immediate family**” means a Member’s spouse, domestic partner, children, stepchildren, parents, and siblings.

Each party in the priority sequence shall have thirty (30) days from receipt of a written offer (which shall include the proposed price and all material terms) to accept or decline in writing. If a party does not respond within the thirty-day period, such party shall be deemed to have declined.

Only after all three priority parties have declined in writing (or been deemed to have declined) may the interest be offered to an unrelated third party, and only with the written approval of the remaining Member as to the suitability of such purchaser and on terms no more favorable than those offered to the priority parties.

For the avoidance of doubt, Sarkis Diarbi may, after consultation with the other Member(s), transfer some or all of his membership interest to Serjio Diarbi without regard to the right of first refusal. Similarly, Kasim Khan may, after consultation with the other Member(s), transfer some or all of his membership interest to Iyan Khan without regard to the right of first refusal. **NO ISSUE WITH THIS BUT THEY WILL HAVE NO VOTE UNTILL THE COMPANY SEE’S FIT.**

- b. **Valuation.** For purposes of any transfer, buyout, or sale under this LOI or the Operating Agreement, the value of a Member’s interest shall be determined as follows: (a) the Members may agree in writing on a value; or (b) if the Members cannot agree, the value shall be determined by an independent appraiser mutually selected by the Members (or, if they cannot agree on an appraiser, each Member shall select one appraiser, and the two appraisers shall select a third, whose determination shall be binding). The appraiser shall use a combination of asset-based and income-based valuation methods appropriate for a construction company, and shall apply appropriate discounts for lack of marketability and minority interest where applicable. The cost of the appraisal shall be borne equally by the Members.
- c. **Succession Intent.** It is the shared aspiration of the Members that Anchor Point Construction be built as a lasting family legacy. The Members express their mutual desire that ownership and leadership of the Company shall, in due course, transition to their respective sons—Serjio Diarbi, son of Sarkis Diarbi, and Iyan Khan, son of Kasim Khan—subject to their willingness and capability to assume such roles. This succession aspiration shall be further addressed in the Operating Agreement, including any applicable terms governing a structured transition of ownership and management, admission requirements, and vesting schedules.
- d. **Sale of the Entire Company.** In the event both Members mutually agree to sell the Company in its entirety to a third party, such sale shall require the unanimous written consent of both Members, and proceeds shall be distributed in the following priority: (i) payment of all Company debts and obligations; (ii) return to each Member of their respective unreturned capital contributions; and (iii) any remaining proceeds distributed in proportion to each Member’s ownership interest.

11. Death, Disability, & Incapacity

In the event of the death, permanent disability, or incapacity of either Member, the following provisions shall apply:

- a. **Buy-Sell Trigger.** The death, permanent disability, or incapacity of either Member shall trigger a mandatory buy-sell. The surviving or non-disabled Member shall have the right and option to purchase the deceased or disabled Member's entire membership interest at the fair market value determined in accordance with the valuation methodology set forth in Section 10.
- b. **Key-Person Insurance.** The Company shall obtain and maintain key-person life insurance and disability insurance policies on both Members in amounts sufficient to fund the buy-sell obligations under this Section 11. The Company shall be the owner and beneficiary of such policies, and the premiums shall be a Company expense.
- c. **Interim Management.** In the event of Kasim Khan's temporary incapacity, Sarkis Diarbi shall have the authority to manage the Company's day-to-day operations – Kasim Khan will appoint a competent person who will immediately take over my responsibilities. ~~or to appoint a qualified replacement manager until Kasim Khan's return, or to initiate a buy-sell.~~ In the event of Sarkis Diarbi's temporary incapacity, Kasim Khan shall continue to manage the Company, and Sarkis Diarbi's designated representative—Serjio Diarbi—shall exercise Sarkis Diarbi's consent rights under this LOI.
- d. **Estate and Heirs.** The deceased or permanently disabled Member's estate or heirs shall not automatically become members of the Company. Admission of any heir or estate representative as a member shall require the prior written consent of the surviving Member and shall be subject to the terms of the Operating Agreement. Provided, however, that the Successor Sons may choose to succeed to their respective father's membership interest.

12. Compensation & Distributions

- a. **Managing Member Compensation.** Kasim Khan shall be entitled to receive a management salary for his services as Managing Member in an amount to be agreed upon by both Members and set forth in the Operating Agreement. Any management fee or salary shall be reviewed annually and shall be consistent with compensation paid to managers in comparable positions in the construction industry. Kasim Khan's compensation shall be treated as a Company operating expense. Any increase in Kasim Khan's compensation shall require the written consent of Sarkis Diarbi.
- b. **Distributions.** The Company shall make distributions to the Members as follows:
 1. **Tax Distributions:** The Company shall make quarterly tax distributions to each Member in an amount sufficient to cover each Member's estimated federal and state income tax liability arising from the Company's allocated income, calculated at the highest marginal individual tax rate applicable in New York.
 2. **Return of Capital:** At the end of the fiscal year, after tax distributions, the Company shall distribute available cash to return Sarkis Diarbi's and Kasim Khan's

initial \$500,000 capital / equity contribution before any profit distributions are made in accordance with the following schedule:

- Year 1: \$50,000 (unless the Members agree to defer to a later distribution)
 - Year 2: \$100,000
 - Year 3: \$100,000
 - Year 4: \$100,000
 - Year 5: \$150,000
3. **Profit Distributions:** After return of capital, profits shall be distributed in proportion to each Member's membership interest (51% to Kasim Khan, 49% to Sarkis Diarbi).
 4. The timing and amounts of distributions (other than tax distributions) shall be determined by the Managing Member (but shall be made no less than annually), subject to the Company's cash flow needs and the approval of both Members for any distribution exceeding Fifty Thousand Dollars (\$50,000) in any single quarter.
 5. *This is an equity purchase structure – I prefer a “Partnership” – the investment is a purchase of 50% of anchor point – and we earn from the dividend distributed annually. We can keep this in place but I will want the same \$500,000 for my investment. – Definitely not the “Partnership” I am hoping for.*

13. Deadlock Resolution

In the event of a deadlock on any matter requiring the consent of both Members, the following escalation procedure shall apply (unless otherwise unanimously agreed by the Members):

- a. **Negotiation.** The Members shall first attempt to resolve the dispute through good-faith negotiation for a period of thirty (30) days.
- b. **Mediation.** If negotiation fails, the Members shall submit the dispute to non-binding mediation before a mutually agreed mediator with experience in the construction industry. If the Members cannot agree on a mediator within ten (10) days, either Member may request that the American Arbitration Association (AAA) appoint one. The cost of mediation shall be borne equally.
- c. **Buy-Sell Option.** If mediation fails to resolve the deadlock within sixty (60) days, either Member may initiate a buy-sell procedure by delivering a written offer to the other Member specifying a price at which the offering Member is willing to either buy the other Member's interest or sell its own interest (a “**Shotgun Offer**”). The receiving Member shall have thirty (30) days to elect either to sell at the offered price or to buy the offering Member's interest at the same price. The buy-sell price shall reflect a minimum floor equal to the return of each Member's unreturned capital contribution.
- d. **Dissolution.** If the buy-sell procedure is not invoked or is not completed, either Member may initiate dissolution of the Company in accordance with Section 21.

14. Indemnification

The Company shall indemnify and hold harmless each Member and their respective officers, employees, agents, and representatives from and against any and all claims, losses, damages, liabilities, costs, and expenses (including reasonable attorneys' fees) arising out of or relating to any act or omission taken in good faith on behalf of the Company and within the scope of such person's authority, except for acts or omissions constituting gross negligence, willful misconduct, or fraud.

15. Intellectual Property & Company Property

All intellectual property, trade names, trademarks, service marks, logos, proprietary methods, client lists, project data, and other intangible assets developed by or on behalf of the Company during the term of the Company's existence shall be the exclusive property of the Company (collectively, "**Company IP**"). Neither Member shall have any individual ownership interest in Company IP, and Company IP shall not be used by either Member for any purpose outside the scope of the Company's business without the prior written consent of both Members.

Upon the departure of either Member, dissolution of the Company, or any buy-sell transaction, the disposition of Company IP shall be addressed as part of the overall valuation and distribution of Company assets. The departing Member shall not use, license, or transfer any Company IP without the prior written consent of the remaining Member.

Kasim Khan assigns to the Company his client lists, contact databases, and any contractual rights (such as referral agreements or existing contracts) that are assignable, and commits to introducing Company personnel and transitioning those relationships to the Company. Kasim Khan's existing professional relationships and industry contacts that he contributes to the Company shall be deemed Company assets upon contribution, and Kasim Khan hereby agrees to assign to the Company all right, title, and interest in such relationships to the extent they are assignable. Kasim Khan represents that such relationships are genuine, not subject to any conflicting obligations, and are legally transferable. The Operating Agreement shall contain representations and warranties from Kasim Khan regarding the condition and value of these contributed assets.

16. Non-Compete & Parallel Business Activities

During the term of this agreement, and for a period of two (2) years following the voluntary exit, termination for cause, or dissolution of either Member's interest in the Company, neither Member shall, directly or indirectly, engage in, own (other than passive ownership of less than 5% of a publicly traded company), manage, operate, consult for, or participate in any business that is in direct competition with Anchor Point Construction, LLC or operates within the same industry, including but not limited to reinforced concrete, foundation engineering, or geotechnical construction, without the prior written consent of the other Member.

Geographic Limitation: This restriction shall apply within a one-hundred-fifty (150) mile radius of any project site at which the Company has performed work or submitted a bid within the twelve (12) months preceding the Member's departure, and within the States of New York, New Jersey, and Connecticut.

Involuntary Termination Exception: If a Member's involvement is terminated without cause by the other Member, the departing Member's non-compete obligation shall be limited to one (1) year and shall apply only within the geographic area described above.

Both Members acknowledge that they may operate or hold interests in other existing or future businesses that are not in direct competition with Anchor Point Construction, LLC and do not operate within the same industry. Such parallel business activities are permitted provided that they do not materially interfere with either Member's obligations to the Company, do not divert business opportunities away from the Company, and do not negatively impact the Company's operations, reputation, or financial performance. Any parallel business activity that creates a potential conflict of interest must be disclosed to the other Member in writing promptly upon becoming aware of such conflict, together with a description of the nature and scope of the activity.

The specific terms and enforcement of this non-compete obligation shall be further defined and formalized in the Operating Agreement, in consultation with legal counsel.

17. Confidentiality

Both Members agree to keep the contents of this LOI, including all financial terms and business details, strictly confidential. Neither Member shall disclose the terms of this LOI to any third party without the prior written consent of the other, except as required by law or as necessary to engage legal, financial, or professional advisors in connection with the formation of the Company.

18. Insurance, Bonding & Compliance

- a. The Company shall obtain and maintain, at its expense, the following insurance coverage as determined to be necessary in consultation with an insurance professional:
 1. Commercial general liability (CGL) insurance with coverage limits of not less than One Million Dollars (\$1,000,000) per occurrence and Two Million Dollars (\$2,000,000) in the aggregate;
 2. Workers' compensation insurance as required by law in each state in which the Company operates (mandatory in New York, New Jersey, and Connecticut);
 - ~~3. Professional liability / errors & omissions insurance for any engineering or geotechnical services performed by or on behalf of the Company;~~
 4. Builder's risk insurance for active construction projects;
 5. Commercial automobile insurance for all Company vehicles;
 6. Umbrella/excess liability insurance; and
 7. Key-person life and disability insurance on both Members as set forth in Section 11.

The Company shall establish and maintain surety bonding capacity sufficient to support public works contracts and private contracts requiring performance and payment bonds, as necessary.

- b. Licensure & Multi-Jurisdictional Compliance.** The Company shall obtain and maintain all licenses, permits, and registrations required to conduct business in each jurisdiction in which it operates, including but not limited to, as applicable:
1. Foreign LLC qualification/registration in New Jersey and Connecticut before transacting business in those states;
 2. Connecticut Major Contractor Registration with the Department of Consumer Protection for structural work including foundations, shoring, and structural framework;
 3. New York State Department of Labor contractor registration under Labor Law Section 220-i for public works and certain private projects;
 4. New Jersey Division of Consumer Affairs registration for home improvement work, and Department of Labor & Workforce Development registration for public construction (Public Works Contractor Registration);
 5. All applicable local licenses and registrations in New York City and other municipalities; and
 - ~~6. Professional engineering (PE) licensure as required in all three states for geotechnical, shoring design, and structural engineering services.~~

The Operating Agreement may specify which individual will serve as the qualifying person for each required license and if necessary, what happens if that individual leaves the Company. The Company bears the cost of licensure and renewal.

- c. Public Works Compliance.** For all public sector work, the Company shall comply with applicable prevailing wage requirements (including New York Labor Law Article 8, the New Jersey Prevailing Wage Act, and the Connecticut Prevailing Wage Law), performance and payment bond requirements, prequalification requirements of contracting agencies, prompt payment act compliance, and certified payroll reporting requirements.
- d. Corporate Transparency Act / NY LLC Transparency Act.** The Company shall comply with beneficial ownership reporting requirements under the federal Corporate Transparency Act and the New York LLC Transparency Act. Both Kasim Khan and Sarkis Diarbi are reportable beneficial owners, and all required filings shall be made within the timeframes specified by law following formation of the Company.

19. Non-Binding Nature & Next Steps

This Letter of Intent represents the mutual understanding and good-faith agreement of the Members as of the date above. The Members agree to work in good faith toward the execution of a formal Operating Agreement governing all binding terms.

The Members anticipate the following next steps and milestones, listed in order of priority:

- a. Complete legal formation of the Company as a limited liability company (file Articles of Organization with the New York Department of State and comply with the NY LLC publication requirement). Target completion: July 1, 2026. Responsibility: Kasim Khan.

- b. Enter Operating Agreement. Target completion: July 1, 2026. Both Members are independently responsible for retaining their own legal counsel.
- c. Register the Company as a foreign LLC in New Jersey and Connecticut. Target completion: August 1, 2026. Responsibility: Kasim Khan.
- d. Obtain all necessary licenses, permits, and insurance for operations in the Tri-State Area, including Connecticut Major Contractor Registration and NY DOL contractor registration. Process to commence July 1, 2026, and to remain ongoing through the Go-Live Date. Responsibility: Kasim Khan.
- e. Comply with beneficial ownership reporting requirements under the Corporate Transparency Act and NY LLC Transparency Act within required timeframes following formation. Responsibility: Kasim Khan.
- f. Establish company infrastructure (email, marketing, website, and server setup). Target completion: November 15, 2026. Responsibility: Kasim Khan.
- g. Establish banking and financial infrastructure for the Company, including a dedicated operating account with dual-signatory requirements. Target completion: November 1, 2026. Responsibility: Kasim Khan.
- h. Anticipated Go-Live Date: January 15, 2027. On this date, Sarkis Diarbi's fixed capital contribution of Five Hundred Thousand Dollars (USD \$500,000) shall be triggered and deployed into the Company's dedicated operating account.

20. Dispute Resolution

Any dispute, controversy, or claim arising out of or relating to this LOI, the Operating Agreement, or the Company's business and affairs that is not resolved through the deadlock procedures set forth in Section 13 shall be resolved as follows:

- a. **Mediation.** The parties shall first attempt to resolve the dispute through mediation administered by the American Arbitration Association (AAA) under its Construction Industry Mediation Procedures. The mediation shall take place in New York, New York.
- b. **Arbitration.** If mediation does not resolve the dispute within sixty (60) days, the dispute shall be submitted to binding arbitration administered by the AAA under its Construction Industry Arbitration Rules. The arbitration shall be conducted by a single arbitrator with experience in construction industry disputes, and shall take place in New York, New York. The arbitrator's decision shall be final and binding and may be entered as a judgment in any court of competent jurisdiction.
- c. **Interim Relief.** Nothing in this Section shall prevent either Member from seeking temporary or preliminary injunctive relief from a court of competent jurisdiction to prevent irreparable harm pending the outcome of arbitration.

The prevailing party in any arbitration or litigation shall be entitled to recover its reasonable attorneys' fees and costs from the non-prevailing party.

21. Dissolution & Winding Up

The Company shall be dissolved upon the occurrence of any of the following events: (a) the unanimous written consent of both Members; (b) a judicial decree of dissolution; (c) the failure of a deadlock buy-sell procedure under Section 13; or (d) any event requiring dissolution under the New York Limited Liability Company Law.

Upon dissolution, the Company's affairs shall be wound up and its assets distributed in the following order of priority: (i) payment of all debts and obligations of the Company, including amounts owed to Members in their capacity as creditors; (ii) establishment of reasonable reserves for contingent or unforeseen liabilities; (iii) return to each Member of their respective unreturned capital contributions; and (iv) distribution of any remaining assets to the Members in proportion to their respective membership interests.

22. Governing Law

This Letter of Intent shall be governed by and construed in accordance with the laws of the State of New York, without regard to its conflict of laws provisions.

AGREED AND ACKNOWLEDGED

By signing below, each Member acknowledges that they have read, understand, and agree to the terms set forth in this Letter of Intent and commit to proceeding in good faith toward the formation of Anchor Point Construction, LLC.

Kasim Khan

Managing Member

Anchor Point Construction, LLC

Date: _____

Sarkis Diarbi

Capital & Investment Member

Anchor Point Construction, LLC

Date: _____