A LEVEL ALLIANCES × ONQ SOLUTIONS · INVESTMENT PITCH — DRAFT

Atmosphere™ Austin

The first Phygital Marketplace — opening in America's Gen Z capital.

PLATFORM	LEGAL ALLY	DATE
ALA · 5th Wall Phygital Elements	**Cole-Frieman & Mallon LLP**	**November 2026 · For discussion**

Strictly private and confidential · Figures marked ≈ are Value Masters Academy theory, pending validation

THE IDEA

”Not retail’s LAX — the neighborhood airport: close to home, no lines, gate ready. The world’s brands land here; local brands take off from here.”

1 · Buy the discount

Vacant anchor boxes and zombie-mall space are retail's NPL: structurally discounted assets in otherwise healthy trade areas. We lease or acquire them at a fraction of market rents.

2 · Sell the membership

Brands don't sign leases — they buy Position Rights: lifetime, transferable usage memberships in a Phygital Marketplace, with a monthly fee. A terminal, not a landlord.

3 · Build it in-house

OnQ — renamed OMC, trading as 5th Wall Phygital Elements — designs and manufactures every fixture, screen and security system at cost, inside the alliance.

STRUCTURE

One platform, three engines

A Level Alliances LLC

HoldCo and alliance builder. Today 90% M. Narin / 10% D. Block.

Paul Chapuis — CEO (proposed); buys 40% for $4M on David Block's terms.

OMC · 5th Wall Phygital Elements

OnQ Solutions after closing — same entity, renamed. Manufacturing, Converge™ software, Dfi™ security.

Supplies Atmosphere — and the firms OnQ competes with today.

Atmosphere OpCo — Austin

The pilot Phygital Marketplace. PropCo / OpCo-TRS / MemberCo architecture; RevPAM as the core metric.

Five-alliance founding model: Legal, Media, Landlord, Brand, Sponsor.

Shared board — ALA & 5th Wall PE

David Block · Randall Cox · Mehmet Narin · Paul Chapuis · fifth seat on Paul's recommendation

Legal ally — CFM

Cole-Frieman & Mallon: due diligence, fund formation, governance

Leadership design is proposed, not yet agreed · Draft for discussion

THE ACQUISITION TARGET

Why OnQ — the one phygital-ready manufacturer

$60M	$5.9M	50+	213K SF
2026P revenue (+22.4%)	2026P Adj. EBITDA (9.9%)	patents · Converge™ + Dfi™	purpose-built Akron plant

Twenty-two years running category fixture programs for **Walmart, Costco, Lowe's and Best Buy**, for brands from **Apple and Google to Samsung and Starlink** — 3,500+ projects, ≈5M consumer interactions a year, 99%+ on-time delivery with its largest customer.

ALA's 2025–26 field scan of U.S. fixture, booth and street-furniture makers found near-identical copies of one another — **OnQ alone blends physical and digital**.

The thesis, proven at home

OnQ's Akron plant sits inside the converted Chapel Hill Mall — a dead mall reborn as a business park. OnQ already operates inside the Atmosphere thesis.

Source: Project Polaris CIM, Q3 2026 (Northern Edge) · OnQ internal materials

THE ONQ PURCHASE

OnQ financials and the offer on the table

$ in 000s	2022	2023	2024	2025	2026P
Revenue	47,935	42,109	32,354	49,037	60,000
Gross profit	19,819	18,655	13,533	18,483	23,441
Gross margin	41.3%	44.3%	41.8%	37.7%	39.1%
Adj. EBITDA	3,809	2,171	(1,159)	3,532	5,934

Dec 2025 balance sheet: $2.5M cash · $12.4M receivables · $16.5M total liabilities. Note: management options of 29.2% fully diluted vest on change of control.

Three options, one price — sent to Paul Chapuis, Nov 1, 2026

- **Conditional** — March 2026 terms reinstated, subject to ALA legal due diligence
- **Guaranteed** — deferred part on a guaranteed note, stepped instalments
- **Share-secured** — deferred part secured by a pledge over OnQ shares

All priced at the Northern Edge base × 1.35 formula.

Direct-deal benchmark

≈$50M over 5 years — $10M/yr, bankable collateral, first instalment Jan 31, 2027, 45-day close.

≈$50M implies ≈8.4× 2026P Adj. EBITDA — above the usual standalone band for custom display makers; the premium prices alliance synergies, not the standalone business

THE PILOT MARKET

Why Austin — America's Gen Z capital

#1
U.S. city for Gen Z jobseekers — "the Gen Z capital of America" (Fortune)

≈74,500
residents aged 20–24 — ≈7.5% of the city

92%
of ≈102,000 metro Gen Z households rent — an experience-first generation

50,000+
UT Austin students; Tesla, Apple, Google, Samsung employment base

Market reality — stated plainly

Austin retail is tight: ≈3.4–3.6% vacancy, asking rents ≈$27–32/SF (Q2–Q3 2026). This is not a deep-discount NPL metro — the pilot here is a **demand-side showcase** with the lowest launch risk in Texas.

Where the discount lives

Second-generation anchor boxes — the Sears and Dillard's legacy — lease at ≈$14–22/SF NNN in Texas: roughly **half the metro's average asking rent**, in otherwise healthy trade areas.

Sources: Fortune (2022) · CommercialCafe / CultureMap (2025) · Partners RE & Matthews Q2–Q3 2026 Austin retail reports · CREcoTX 2026 — figures ≈, to be verified

SITE SELECTION

One empty box — three live candidates

A · PRIMARY CANDIDATE

Shops at Tech Ridge

Former Sears Grand box — ≈116,000 SF available in a 674,000 SF center at I-35 & Parmer, NE Austin.

Cheapest submarket (≈$21/SF avg) · ≈289,000 people in 5 miles · Samsung corridor.

B · CO-TENANCY PLAY

Lakeline Mall anchors

Simon super-regional, 1.1M SF, NW Austin — two vacant anchors: ex-Sears (since 2018) and ex-Dillard's Men & Kids.

Strongest co-tenancy and parking; highest-rent submarket (≈$30/SF avg).

C · MAX GEN Z DENSITY

Dobie Twenty21

Mixed-use tower on the UT campus; commercial floors largely vacant — a true urban B/C zombie asset.

Smallest format; 50,000+ students at the door; brand-lab satellite option.

Selection criteria: ≥100,000 SF single box · ≤$22/SF NNN · ≥250,000 people in 5 miles · Gen Z density · landlord open to the membership model — final pick after broker walk-throughs and independent MAI valuation review.

Availability and terms as publicly listed, Nov 2026 — to be confirmed with landlords (Simon, Tech Ridge ownership, Dobie)

THE BUSINESS MODEL

Position Rights — not leases

A brand buys a **Position Right**: a condominium / timeshare-style usage membership for a position on the floor — **lifetime, transferable, buyable and sellable**, with a monthly usage fee (legal term likely renews ≈ every 10 years; CFM to confirm).

- Unused positions are placed by Atmosphere — the holder earns even when absent (70% holder / 30% OpCo)
- 5% transfer fee on every resale — a small, stable-income instrument for small investors
- Credit tiering: standby L/C first, international rating second; neither → prepaid, outside the securitized pool

50 / 30 / 20
operators / investors / retained by Atmosphere

$1,200–1,800
monthly fee reference band (OC long-term parking benchmark)

RevPAM — revenue per available membership — is the core metric, tracked across seven revenue lines per floor.

Position fees · **Placement income** · **Sponsorship (10% royalty seed seat)** · **Media — OffNdOn · HuxNet · PingPod · Fifth Signal** · **Events & F&B** · **Transfer fees** · **Dog Land — park · cafe · hotel**

Mix, pool split and fee band per the Sep 2026 Position Right model decisions · Rev.05 financial database governs final figures

INVESTMENT BUDGET — ≈ THEORY, REV.05 GOVERNS

What the Austin pilot + OnQ needs

Item	Year 1	5-year	Basis
OnQ acquisition	$10.0M	$50.0M	$10M/yr benchmark; final price = NE base × 1.35 after DD
Anchor-box lease, ≈110,000 SF	$1.6M	$12.6M	≈$18/SF NNN + ≈$6/SF costs; 6-month abatement in Year 1
Deposits, legal (CFM), permits	$0.8M	$0.8M	Lease security, entity and membership structuring
Conversion capex	$10.5M	$10.5M	≈$95/SF via OMC in-house (market rate ≈$120–150/SF)
Phygital systems	$1.5M	$1.5M	OffNdOn · HuxNet · PingPod · Fifth Signal
Dog Land (optional)	$1.2M	$1.2M	Parking-lot dog park, cafe and hotel
Working capital	$3.5M	$3.5M	18-month pre-opening team, marketing, membership sales
Contingency (≈10%, ex-OnQ)	$1.9M	$1.9M	—
Pilot subtotal (ex-OnQ)	$21.0M	$32.0M	—
Total with OnQ	**$31.0M**	**$82.0M**	Round 2 raise of $61M covers Year 1–3; the rest from operating cash flow

All figures ≈ and rounded — Value Masters Academy theory from open sources and field work; validated by the Atmosphere Alliance Council with Cole-Frieman & Mallon

PILOT ECONOMICS — ILLUSTRATIVE

A stabilized year, in theory

300
positions on ≈75,000 SF net sellable floor (≈68% of GLA)

$1,500
average monthly usage fee ($1,200–1,800 band)

≈$14.4M one-time
position sales: 240 sold × ≈$60K average [price to be set in Rev.05] — recovers ≈70% of pilot capex up front

RevPAM **≈$68/SF** of recurring revenue against **≈$24/SF** all-in occupancy cost — the anchor-box discount is the margin.

Stabilized year (recurring)	≈ $M
Usage fees (240 active positions)	4.3
Placement & transfer income	1.2
Sponsorship, media, events, Dog Land	2.0
Recurring revenue	7.5
Rent & occupancy	(2.6)
Operations & staff	(2.0)
Stabilized operating income	≈2.9

Every figure here is a placeholder theory by Value Masters Academy — to be rebuilt in Rev.05 and validated by the Alliance Council with CFM before any investor use

ALA VALUATION — SUM OF THE PARTS, THEORY

What A Level Alliances is worth

PROOF POINTS TODAY

$10M

founders' basis — Paul's $4M for 40% mirrors David Block's terms; $12M alliance participation fee per seat sits beside it

OMC AT ACQUISITION

≈$50M

≈8.4× 2026P Adj. EBITDA — alliance pricing; standalone band sits lower (stated separately in all reports)

AUSTIN OPCO, STABILIZED

≈$25–30M

≈10× stabilized operating income of ≈$2.9M — pure theory until Rev.05 and council validation

ALLIANCE LAYER

$12M × seats

five-alliance founding model — heavily discounted at this stage, upside not priced in

≈$90–100M consolidated, post-stabilization

theoretical range for ALA with OMC and the Austin pilot stabilized — the basis for Round 2's pre-money discussion

$61M — Round 2

new capital at the second-round value; pre-money fixed by the Alliance Council with CFM

Valuations are presented as theory by Value Masters Academy, from open sources and Mehmet Narin's field work; final figures validated by the Atmosphere Alliance Council with Cole-Frieman & Mallon

CAPITAL PLAN

The $61M second round

Use of funds



$30M — OnQ instalments, Years 1–3

$21M — Austin pilot buildout & launch

$10M — reserve & Site 2 preparation

OnQ instalments 4–5 and ongoing rent are carried by operating cash flow — OMC's EBITDA plus the pilot's position sales and fees.

Structure & parties

- PropCo / OpCo-TRS / MemberCo; fund formation by Cole-Frieman & Mallon
- Monogram Capital Partners — candidate lead investor
- Capital sounding board: Bill Duhamel & Randall Cox

Founder-share set-off

If the OnQ acquisition closes, Paul's remaining $3.6M ALA balance is settled at closing by set-off against the OnQ consideration — a founder-share secondary, not a capital raise.

Allocation ≈ and indicative; exit and termination principles to be written into the goodwill agreement — fair valuation, orderly transition, good faith

FUNDING STRUCTURE — SECURED & STAGED

How much, when, and what secures it

When	Instrument	≈ $M	Security / hedge
Q1 2027	Equity cash — Round 2, tranche 1	25	Lead-investor cash at close: OnQ instalment 1 + pilot start
H2 2027	Equity cash — tranche 2, milestone-gated	16	Released on site LOI + 50% position pre-sales
2027–28	Credit — ABL revolver + term loan	12	OMC receivables & inventory (≈$18M base); rate hedged with a SOFR cap
2028	Pre-sale escrow — Position Rights	8	Member deposits in escrow; standby L/Cs from credit-tiered allies
Total external	≈41 equity · ≈20 non-dilutive	**61**	Instalments 4–5 + rent from operating cash flow

The deferred $40M (OnQ instalments 2–5) is itself secured: a guaranteed note in stepped instalments (Option 2) or a pledge over the OnQ shares (Option 3) — never unsecured seller paper.

REALISTIC — 5-YEAR, THEORY

≈1.8× MOIC · ≈15% IRR

Single site stabilizes 2029; OMC grows ≈10%/yr; 2031 consolidated value ≈$110M

OPTIMISTIC — 5-YEAR, THEORY

≈2.5× MOIC · ≈25% IRR

Pre-sales run ahead; Site 2 opens 2029; OMC grows ≈20%/yr; 2031 value ≈$150M+

EQUITY-ONLY — ≈$41M IN, THEORY

Realistic ≈2.4× · ≈20% IRR

Optimistic ≈3.4× · ≈30% IRR

Project figures are on the full ≈$61M, pre-carry, pre-tax; the non-dilutive $20M (credit + escrow) lifts equity returns.

All amounts, timing, MOIC and IRR are ≈ theory by Value Masters Academy — term-sheet figures set with the lead investor, the Alliance Council and Cole-Frieman & Mallon

FUNDING OUTLOOK

Beyond the $61M — the layers around the round

Lead-investor profile

Consumer-platform growth equity — first-institutional-capital investors who back founder-led, experience-driven consumer platforms. Our structure gives them a manufacturing cash-flow floor (OMC) under a consumer growth story (Atmosphere).

State & federal incentives — mapped per final site

- **Texas:** Enterprise Zone sales-tax refunds · City Ch. 380 / County Ch. 381 agreements · C-PACE retrofit financing
- **Federal:** Opportunity Zone equity & New Markets Tax Credit (tract-dependent) · 179D energy deduction · WOTC hiring credits · Austin Energy rebates

Civic & community allies

- Austin Chamber / Opportunity Austin · Workforce Solutions Capital Area (hiring pipeline)
- Austin Community College — the Highland Mall conversion pioneer, natural knowledge ally
- Austin Independent Business Alliance (local-brand pipeline) · Austin Pets Alive! (Dog Land)

Founding sponsor targets — seed seat, 10% royalty

- From OnQ's blue-chip relationships: Google, Samsung, Meta, Starlink class
- Austin-rooted consumer brands: YETI, Kendra Scott, Tito's, Bumble, H-E-B class
- One payments / fintech seat for the membership rail

Incentive eligibility depends on the final site's census tract and job counts — to be verified with counsel; sponsor names are a target list, no approaches made yet

STATED PLAINLY

Honest risks — and how we validate

Risks

- OnQ price sits above its standalone band — it only pays inside the alliance
- Position Right legal form is novel; ≈10-year renewal term still open
- Austin's tight market means higher rents than distressed metros
- Management options (29.2% FD) vest on change of control — price per share dilutes
- All pilot economics are unvalidated theory until Rev.05

Validation path

- CFM enters the data room — ALA bids as 4th buyer under Northern Edge's sale plan
- CFM structures the membership instrument and fund
- Independent MAI valuation — Valuation Ally to be engaged
- Rev.05 database rebuild; standalone vs. alliance figures always stated separately
- Final sign-off by the Atmosphere Alliance Council

Nothing on this page is softened — a wrong number delivered confidently is worse than no number

PATH TO CLOSE

From offer letter to opening day

Nov 2026	Offer with Paul Chapuis · CFM enters the data room · term sheet with lead investor
Dec 2026	Definitive documents — 45-day close window under the direct-deal benchmark
Jan 31, 2027	First $10M instalment · OnQ becomes OMC, trading as 5th Wall Phygital Elements
H1 2027	Austin site LOI signed · design and fixture engineering in-house at OMC
H2 2027	Buildout · Position Right pre-sales open with credit-tiered allies
2028	**Atmosphere™ Austin opens — the first Phygital Marketplace, in the Gen Z capital**