

LOAN AGREEMENT

This Loan Agreement (the **Agreement**) is made this 30th day of January, 2023, ("**Effective Date**") by and between:

BETWEEN

NARAYANAN KUPPURAJ, having Permanent Account Number ADUPN2692L with his / her / their / its registered/residential address, as may be applicable at Building 325#Flat no-S2, 13th Main 4th left Cross, Channakeshavanagara Hosaroad, Bengaluru (hereinafter referred to as the **Lender**, which expression shall, unless repugnant to the context or meaning thereof, be deemed to include its successors) of the First Part;

AND

AREIP Series A0009 LLP, a limited liability partnership incorporated under the Limited Liability Partnership Act, 2008 ("**LLP Act**"), having its registered office at 403, 4th Floor, 2nd Cross, 6th Main, Grand Majestic Mall, Gandhinagar, Bangalore Dist Offices Bldg, Bangalore 560009 (hereinafter referred to as the **Borrower**, which expression shall, unless repugnant to the context or meaning thereof, be deemed to include its successors and assigns) of the Second Part.

In this Agreement the Lender and the Borrower are hereinafter individually referred to as a "**Party**" and collectively as "**Parties**".

WHEREAS

- A. The Borrower is *inter alia* engaged in the business of acquiring, owning, operating and managing real estate assets, and undertaking other related real estate activities ("**Business**").
- B. The Lender has declared that he/they are not non-residents as per the Income Tax Act, 1961 ("**IT Act**") and Foreign Exchange Management Act, 1999 ("**FEMA**") in India.
- C. The Borrower is desirous of raising capital for its business. The Lender is a Partner of the Borrower and has contributed to the capital of the LLP by investing in and purchasing Partnership Interests (*defined hereinafter*). The Lender is also interested in financing the Business of the Borrower and has agreed to grant a loan to the Borrower, which can be used by the Borrower for the purpose of its Business.
- D. The Parties are desirous of setting forth the terms and conditions, representations, warranties, covenants and other principles agreed to in connection with the loan proposed to be granted to the Borrower in writing.

NOW, THEREFORE, in consideration of the foregoing recitals which are hereinafter incorporated by reference and made a part hereof, as well as the mutual promises, covenants, conditions and agreements hereafter set forth in this Agreement, the parties hereto, intending to be legally bound, hereby agree as follows:

1. Definitions and interpretation

- 1.1. **Definitions:** All terms and expressions when used with capitalized first letter shall have the meaning ascribed to them as hereunder. All other terms when used with capitalized first letter but not defined hereinbelow shall, unless repugnant to the context thereof, have the meaning ascribed to such terms elsewhere under this Agreement. The definitions shall apply equally to both the singular and plural forms of the terms defined, whenever the context may require. Further, whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms.
- a. **“Applicable Law”** shall mean any statute, law, regulation, ordinance, rule, judgement, order, decree, ruling, bye-law, directive, guideline, policy, requirement or other governmental restriction or any similar form of decision of or determination by, or any interpretation or administration having the force of Applicable Laws of any of the foregoing by any Competent Authority having jurisdiction over the matter in question, whether in effect as of the date of this Agreement or at any time thereafter.
 - b. **“Book Value”** shall mean the value of the Property as recorded in the books of accounts of the Borrower on the date of the purchase of the Property by the Borrower and shall mean to include the original purchase price of the Property / Properties, cost of furniture / fixtures / amenities, applicable GST, Property stamp duty and registration charges, khata / title issuance charges and Utility meter (Power, Water) transfer costs, legal charges towards creating applicable property title transfer documents, Society / Association of owners charges, building corpus, brokerage and such other transaction related costs.
 - c. **“Competent Authority”** shall mean any regulatory authority, or the Government of India, or any regional or municipal authority thereof, or other central, state or local government or any legislature, ministry, department, commission, board, authority, instrumentality, agency, political sub-division or commission under the direct or indirect control of the government of India, or any state government or any political sub-division of either of them, or the Reserve Bank of India as to matters of policy or otherwise, owned or controlled by the government of India or any state government or any of their sub-divisions or any court, tribunal, judicial or regulatory body within India or any other court, administrative agency or arbitrator.
 - d. **“Distributions”** shall mean the total amount of money distributed by the Borrower to the Lender in the form of returns on the Principal Value of the Loan Units as set out in Clause 3.8 and rewards from any community benefits program initiated by the Borrower and / or the MPM.
 - e. **“Economic Value”** shall mean the summation of (i) the total Principal Value of the Partner’s capital of the Borrower; and (ii) the total Principal Value of Loans extended by the Partners of the Borrower. In the event the Principal Value of the Loans or the Partner’s capital reduces during the normal course of the business, due to part or full repayment of the Loan or reduction in Partner’s capital, then the highest recorded Principal Value of the Loans and highest value of Partner’s capital shall be used to calculate the Economic Value of the Borrower.
 - f. **“Final Additional Reward Value”** shall mean the amount over and above the Last Updated Principal Value of the Loan Units, that is payable on or before the Maturity Date, by the Borrower, to all its Loan Unit Holders. In adverse market conditions, the

Final Additional Reward Value explained herein may be nil.

- g. **"Force Majeure Event"** shall mean any of the following: fire, flood, earthquake or acts of God or terror; riots, civil disorders, rebellions in India; strikes, lockouts, government legislations, or any other unforeseeable event, beyond the reasonable control of the Borrower.
- h. **"Gross Income"** shall mean the income received by the Borrower from the Property / Properties and such other income of the Borrower, prior to deducting the Operating Expenses that are to be borne by the Borrower.
- i. **"Last Updated Principal Value"** shall mean the Principal Value of a Loan Unit **(minus)** part repayments if any of the Principal Value made by the Borrower to the Loan Unit Holder on or before the Maturity Date of the Loan Unit and duly recorded in the books of accounts of the Borrower.
- j. **"LLP Agreement"** shall mean the limited liability partnership agreement of the Borrower executed by the Partners, annexed to this Agreement at **Annexure B**.
- k. **"Loan"** shall mean the unsecured loan carrying such terms as captured in Annexure A that is being granted by the Lender to the Borrower for its Business in accordance with the terms of this Agreement.
- l. **"Loan Period"** shall mean the aggregate of the Initial Loan Period and the Extension Period (if applicable).
- m. **"Loan Units"** shall mean the digital representation of loans granted to the Borrower which serves as an acknowledgement of loans granted by the Lender or any other lender to the Borrower. The loan amounts granted by all lenders of the Borrower gets bifurcated into several Loan Units, each with a principal value, which may be different from the Principal Value of the Loan Units issued under this Loan Agreement. These Loan Units shall be independently and collectively referred to as "Loan Units" or "Tokens" or "Property Tokens" or "ALT.SQFTs" or any such nomenclature as solely determined by the Borrower. The total number of Loan Units that shall be issued by the Borrower, collectively to all its lenders (*that have entered into similar arrangement with the Borrower*), shall be equal to or lesser than the total saleable area of all the Properties.
- n. **"Loan Unit Holder"** shall mean the Lender or the purchaser of the Loan Units or any other lender of the Borrower who is issued Loan Units and is entitled to receive Interest and any other forms of Distributions associated with the Loan Units.
- o. **"Material Change in Borrower's Ownership"** shall mean a single event by which a new incoming Partner/s, makes an offer to purchase more than 51% (Fifty-one percent) of the Partnership Interest of the Borrower along with an offer to repay 100% (One hundred percent) of the outstanding loans of the Borrower to all lenders of the Borrower, and the offer so made is accepted by the Partners of the Borrower as of the date of such event, as the highest available offer representing the enterprise value of the Borrower.

- p. **"Maturity Date"** shall mean the date at the end of the Initial Loan Period or in case the Initial Loan Period has been extended for an Extension Period, on which Repayment Amounts will need to be paid by the Borrower to the Lender.
- q. **"Master Property Manager (MPM)"** shall mean such person / entity, appointed by the Borrower to operate, manage and oversee the Property.
- r. **"Net Distributable Cash Flow" or "NDCF"** shall mean net distributable cash flow generated from the Property, for the purpose of calculating the interest payable on loans borrowed by the Borrower from Lender and other Partners and/or other lenders who are not financial institutions.
- s. **"Operating Expenses"** shall mean all the expenses of the Borrower, other than income tax, profit share, Interest paid on loans availed from the Partners and / or other lenders who are not financial institutions, but shall include indirect taxes, insurance, annual maintenance contracts for capital assets / Property / appliances / fixtures / fittings, their repairs and maintenance, depreciation on assets of the Borrower as per its books of account, banking charges, statutory levies and fees, consultant fees (*namely legal, audit, bankers, accounting, tax, escrow agent, administrator fee, process auditor, IBBI valuer, merchant banker fees, custodians, real estate valuer, brokerage, building structural and engineering consultants etc.*) third party operator fees payable under a management contract for the Property, facility manager's fees, Master Property Manager's fees, salaries and employee benefits of the inhouse property management team, salaries and employee benefits of other such employees of the Borrower, general administrative expenses, cost of products and services rendered to occupiers of the Property/ Properties, overheads and such incidental operating expenses of the Borrower.
- t. **"Partner(s)"** shall mean the partner/s of the Borrower as inducted in accordance with the LLP Agreement.
- u. **"Partnership Interest"** shall mean the partnership interest or profit share ratio held by the Partner in the Borrower.
- v. **"Platform"** shall mean www.AltDRX.com.
- w. **"Principal Value"** shall mean the par value of each Loan Units on the date of its issuance, as duly mentioned in Annexure A of this Agreement.
- x. **"Property"** shall have the same meaning as assigned to it by Clause 2.1.
- y. **"Repayment Amount"** shall cumulatively mean that portion of the Terminal NDCF that is payable to all of the Loan Unit Holders, towards repayment of the Last Updated Principal Value of the Loan Units, Final Additional Reward Value if any and any outstanding Interest (defined hereinafter) accrued on the Loan Units as on the Maturity Date. The Repayment Amount may become payable in multiple tranches, in the event Property / Properties held by the Borrower are sold in multiple tranches. The calculation of the Repayment Amount is elaborated in Clause 6 of this Agreement.
- z. **"Terminal NDCF"** shall mean the NDCF to be distributed by the Borrower to the Loan Unit Holders of the Borrower on the Maturity Date of the Loan and may vary depending on the two scenarios:

- **Scenario 1** (*when the Borrower sells the Property / Properties*): Terminal NDCF in such a scenario is calculated as the total sales consideration received by the Borrower upon the sale of the Property / Properties **(minus)** any transaction costs incurred by the Borrower directly as a result of the sale of the Property, such as brokerage, advertising expenses, legal fees etc., **(minus)** any applicable taxes and other statutory liabilities **(minus)** any contingency reserves created towards meeting any potential future liabilities of the Borrower. The Terminal NDCF post the sale of the last Property shall additionally include any reserves of the Borrower held as cash in the bank from the loan originally granted. In the event the Borrower sells part of the Property / Properties, the Terminal NDCF will be calculated proportionately to the extent of the Property sold.
 - **Scenario 2**: When a potential purchaser of the Property / Properties, instead of purchasing the Property, purchases the Borrower, triggering a Material Change in Borrower's Ownership): Terminal NDCF in such a scenario is calculated as the enterprise value of the Borrower at which the purchase transaction is concluded between the Borrower and the purchaser **(minus)** any transaction costs incurred by the Borrower directly as a result of the sale of such a transaction, such as brokerage, advertising expenses, legal fees etc., **(minus)** any applicable taxes and other statutory liabilities **(minus)** any contingency reserves created towards meeting any potential future liabilities of the Borrower or the Borrower's erstwhile Partner's / Loan Unit Holders (plus) any reserves of the Borrower held as cash in the bank from the loan originally granted.
- aa. **"Terms and Conditions"** shall mean the terms of use and privacy policy as available on the Platform.
- bb. **"Total Loan Amount"** shall mean the Principal Value of each Loan Unit, multiplied by the total number of Loan Units issued to the Lender, , by the Borrower as recorded in Annexure A.
- 1.2. **Interpretation:** In this Agreement: (a) defined or capitalized terms include the plural as well as the singular; (b) "include" and its derivatives ("including", "e.g.," and others) mean "include, but are not limited to"; and (c) terms used in one gender shall include their meaning in all other pronouns.
- 2. Grant of Loan and Receipt of Loan Units**
- 2.1. At the request of the Borrower, the Lender hereby agrees to provide to the Borrower a Loan amounting to Total Loan Amount as mentioned in Annexure A. The Total Loan Amount shall only be utilized by the Borrower for its Business, i.e., to acquire, own, operate and manage the identified real estate asset(s) i.e., ("**Property**" or "**Properties**"), details of which are mentioned in Annexure A. The Property/Properties purchased/proposed to be purchased by the Borrower shall meet the Portfolio Parameters as set out in the LLP Agreement ("**Portfolio Parameters**"). All the Properties to be acquired by the Borrower shall be as per the Portfolio Parameters, unless otherwise approved by the Loan Unit Holders in accordance with Clause 4.3 of this Agreement.
- 2.2. In consideration of the Total Loan Amount granted by the Lender to the Borrower, the Lender shall be issued an equivalent number of Loan Units, each of a specific Principal Value. The

number of Loan Units issued cumulatively to all the Loan Unit Holders shall be less than or equal to the total saleable area of the Property, as measured in square foot and mentioned in the property title documents (i.e., the total area of the Property that is eventually purchased and owned by the Borrower). In the absence of the saleable area of the Property not being mentioned in the property title documents, then the Property's saleable area shall be assumed to be 145% (one hundred forty five percent) of the Property's carpet area as mentioned in the property title documents.

- 2.3. This Agreement along with the Terms and Conditions and other documents made available to the Lender shall govern the Loan arrangement recorded under this Agreement including in relation to the grant of Loan Units by the Borrower to the Lender.
- 2.4. Any excess capital raised / unutilized Total Loan Amount / unutilized cash / bank balances, held by the Borrower, from time to time shall be retained as reserves and be utilized by the Borrower towards purchase of Properties and for such other expenses of the business of the Borrower. The Loan Unit Holders agree and understand that any amount retained as reserves may also be invested in short term bank deposits or liquid mutual funds or other liquid assets of higher quality such as treasury bills, commercial papers, certificates of deposits, etc. till deployment of such capital towards purchase of Properties and the business of the Borrower.

3. Interest and Periodic Distributions to Loan Unit Holders

- 3.1. The Lender shall be entitled to receive an Interest ("**Interest**") and Distributions on each Loan Unit held by them on a given "**Record Date**" on the corresponding "**Interest and / or Distributions Payment Date**", as mentioned in Annexure A. For the purpose of this Clause, "Record Date" shall mean the date on which the Loan Unit Holders who are eligible to receive Interest and/or Distributions, on the Interest and/or Distributions Payment Date is recorded. Further, Interest and/or Distributions Payment Date shall mean the actual date on which Interest and/or Distributions are paid, respectively, to the Loan Unit Holders, who held such Loan Units on the Record Date. The Record Date and the corresponding Interest and/or Distributions Payment Dates are mentioned in Annexure A of this Agreement and in the event of any change, they shall be intimated to all Loan Unit Holders on the Platform. The Loan Unit Holder shall be entitled to the Interest and/or Distributions after deduction of applicable taxes.
- 3.2. NDCF shall be computed for payment of Interest and/or Distributions towards Loans advanced by Lender to the Borrower. The said Interests and/or Distributions shall be paid to the Lender in proportion to the number of Loan Units held by him as on the Record Date. For the sake of ease and convenience, any adjustments in NDCF that may be required for the purposes of financial accuracy shall be made in quarter ends or year ends, post announcement of audited financial results of the Borrower. The formula to calculate the Interest and periodic Distribution that is payable to a Loan Unit Holder = $\text{NDCF for a given period} / \text{total outstanding number of Loan Units issued by the Borrower} * \text{the number of Loan Units held by a given Loan Unit Holder on the Record Date}$. The modalities of calculating NDCF for a given period is explained below in clause 3.9.
- 3.3. The Interest is variable and is dependent on the NDCF generated by the Property of the Borrower in the particular assessment period. There can be times when the NDCF may be nil or negative, resulting in no Interest payments/Distributions to the Loan Unit Holder, for the said period / periods and / or result in adjustments in the subsequent periods from the surplus NDCF generated during such subsequent period.

- 3.4. The Interest rate or the quantum of the Interest amount, is not guaranteed by the Borrower and are completely dependent on the market conditions affecting the income generation ability of the Property.
- 3.5. The Borrower shall remit the Interest and/or Distributions amounts into the Lender's bank account if specifically requested by the Lender in writing, else it shall be in accordance with the Platform's Terms and Conditions.
- 3.6. In the event of the date on which any amount payable with respect to the Loan falls on a public holiday then the Interest pertaining to that date shall be paid by the Borrower on the preceding business day.
- 3.7. In addition to Interest, from time to time, the Borrower may upon receiving due advice from its accountant / auditors / consultants / Master Property Manager, at its sole discretion, declare other forms of Distributions, out of the excess cash balances or any other rewards from any community benefits program initiated by the LLP and / or the MPM, that are not required for the foreseeable future by the Borrower ("**Distributable Cash**"). Such Distributions out of the Distributable Cash is over and above the Interest and may have been generated because of various factors including but not limited to, non-cash profit and loss items such as depreciation. The Lender hereby agrees that Loan Unit Holders shall be eligible to be paid only up to 80% (eighty percent) of such Distributable Cash as the Distributions over and above the Interest, in the form of repayment of Principal Value of the Loan Unit. The residual 20% (twenty percent) of the Distributable Cash shall be distributed by the Borrower to its Partners. The Lender understands and agrees that the Distributions shall be payable at the sole discretion of the Borrower and at the time as determined by the Borrower. The Lender also acknowledges that the Borrower may not make any Distributions before the Maturity Date in case there is no Distributable Cash as per the books of account of the Borrower.
- 3.8. The Interest and Periodic Distributions per Loan Unit shall not differ based on the Principal Value of the Loan Unit, held by any given Loan Unit Holder.
- 3.9. NDCF for a given period:
- 3.9.1. NDCF for a given period, where the period is prior to the commencement of sale of Properties to initiate payment of Repayment Amount, shall be calculated as 80% (Eighty percent) (**multiplied by**) (Gross Income **(minus)** annual accretions to the contingency reserve in the Borrower's balance sheet **(minus)** interest and principal repayments to lenders who are financial institutions **(minus)** Operating Expenses).
- 3.9.2. NDCF for a given period, where the period is upon commencement of sale of Properties to initiate payment of Repayment Amount, shall be calculated as (aggregate Last Updated Principal Value of all the Loan Units of the Borrower / Economic Value of the Borrower) (**multiplied by**) (Gross Income **(minus)** annual accretions to the contingency reserve in the Borrower's balance sheet **(minus)** interest and principal repayments to lenders who are financial institutions **(minus)** Operating Expenses). This principle is also applicable to Distributable Cash.

4. Rights of a Loan Unit Holder

- 4.1. By virtue of holding the Loan Units, the Loan Unit Holder shall be entitled to the following benefits:
 - a. To receive Interest as set out in Clause 3.1 above;
 - b. To receive Distributions in accordance with Clause 3.7; and
 - c. To receive Repayment Amounts, as applicable, on the Maturity Date.
- 4.2. The Lender hereby acknowledges and agrees that by virtue of holding the Loan Units, he does not hold any voting rights in the Borrower for any matter, other than as set out below in Clause 4.3 & Clause 4.4.
- 4.3. For Properties intended to be purchased by the LLP which are in conformance with the Portfolio Parameters, if Loan Unit Holders holding more than 76% (Seventy-six percent) of the total Loan Units issued by the Borrower vote against the purchase of the Property by the Borrower, within the Voting Timeline (*defined below*), despite the Property being in conformance with the Portfolio Parameters, the Borrower shall desist from purchasing the said Property. In the absence of a negative veto, the Borrower shall go ahead and purchase the property.
- 4.4. For Properties intended to be purchased by the Borrower which are not in conformance with the Portfolio Parameters set out at Annexure A, if Loan Unit Holders holding more than 76% (Seventy-six percent) total Loan Units issued by the Borrower vote in favor of the purchase of the Property by the Borrower, within the Voting Timeline, despite the Property not being in conformance with the Portfolio Parameters, the Borrower shall go ahead and purchase the said Property. In the absence of an affirmative veto, the Borrower cannot purchase the said Property.
- 4.5. Any of the matters that are not listed in this Loan Agreement, as matters that require specific consent of the Loan Unit Holders of the Borrower, are and shall remain as matters of the Borrower in the normal course of its business. It is clarified that the Loan Unit Holders shall have no objection to any actions that may be taken by the Borrower and/or its Partners in relation to any such matters so long as it is in line with the terms of the Limited liability Partnership Agreement.
- 4.6. Voting may be carried out either physically or electronically in any manner as determined by the Borrower or its representative subject to Applicable Laws. To obtain the votes the LLP shall dispatch a notice *vide* an email or in any other manner as may be decided by the Designated Partner, to all Partners of the LLP with the details of the matter. Voting in connection with a particular matter shall be concluded within 7 (seven) days of the notice or such other timelines as may be communicated by the Borrower ("**Voting Timelines**").
- 4.7. Other than for matters as listed in Clause 4.4, it is clarified that if any Loan Unit Holder of the Borrower abstains from voting or does not vote within the Voting Timelines, then the Borrower shall consider them to not have any objections to the said matter being approved and hence be considered as deemed approval, resulting in their uncast votes to be added to those who voted in favor of the said matter. As pertaining to matters listed in Clause 4.4, it is clarified that an affirmative veto will be considered to have been exercised only when 76% (Seventy-six percent) of the total available votes are cast in favor of the matter. Any Loan Unit Holder abstaining from voting or does not vote within the said timelines on matters as listed at Clause 4.4, shall deemed to be against purchasing the Property so listed in the notice as set

out under Clause 4.4.

- 4.8. The number of votes held by a Loan Unit Holder shall be equivalent to the aggregate number of Loan Units they hold in the LLP as on the date of intimation of voting. For abundant clarity, if a single individual Loan Unit Holder holding say 1000 Loan Units (aka 1000 ALT.SQFT) out of the aggregate number of say 10,000 Loan Units (aka 10,000 ALT.SQFT) issued by the Borrower to all its Loan Unit Holders, then such a Loan Unit Holder shall be deemed to hold 10% (Ten percent) of the voting rights.
- 4.9. The Lender shall, basis compliance with Clause 7, be entitled to receive sale proceeds upon the sale of the Loan Units to others in accordance with the Terms and Conditions, after deduction of applicable taxes and any other fees chargeable on the Platform subject to the terms set out in Clause 6.4.
- 4.10. It is hereby clarified that the Loan Unit Holder is entitled to receive Interest, Distributions and Repayment Amount as set out under Clause 4.1, only if he/she holds the Loan Units as on the Record Date and/or Maturity Date.
- 4.11. If the Lender has assigned or transferred his/her Loan Units to any other party ("**Purchaser(s)**") as per the terms set out under Clause 7 of this Agreement, for any amount, then the Lender agrees that the Borrower has no further liabilities whatsoever towards the Lender in relation to the Loan Units that are transferred/assigned to the Purchaser ("**Transferred Loan Units**").

5. Loan Period

- 5.1. The tenure of the Loan shall be 15 (fifteen) years ("**Initial Loan Period**") with an option to be extended at the request of the Borrower, for a period not exceeding an additional 5 (Five) years ("**Extension Period**"). The Borrower shall make an offer for such extension to the Lender only if the Borrower has obtained prior approval for extension from its Partners. Upon receipt of approval from the Partners, the Borrower shall issue a notice ("**Extension Notice**") to the Lender (or its assignees pursuant to the due process as set out under the Terms and Conditions) of such intention to extend the Initial Loan Period. Upon receipt of the Extension Notice, the Loan Unit Holders shall be provided 10 (Ten) days from the date of receipt of the Extension Notice to respond and communicate their acceptance or rejection of the offer to extend the Initial Loan Period. If the Loan Unit Holders fail to respond to the Extension Notice within the aforesaid time period of 10 (ten) days, the extension offer shall be deemed to have been accepted/consented by such non-responding Loan Unit Holder. Notwithstanding the above, if more than three fourth majority of Loan Unit Holders confirm the extension of the Initial Loan Period (which for the purpose of the calculation shall include deemed consent), the Initial Loan Period shall stand extended to the Extension Period. If the Initial Loan Period is extended, all terms and conditions under this Agreement shall continue to be applicable to the Loan for the Extension Period.
- 5.2. The process of extension of the Initial Loan Period shall be completed by the Borrower, prior to 36 months from the end date of the Initial Loan Period ("**Cut-Off Date**") and as mentioned in Annexure A.

6. Repayment

- 6.1. By the end of the Loan Period, the Borrower shall be required to remit the Repayment Amount

to the Loan Unit Holder. To give effect to such repayment, the Borrower shall be entitled to, not earlier than 60 (Sixty) months preceding the Maturity Date, commence selling the Property / Properties to any third party to arrange for the Repayment Amount to be paid to the Loan Unit Holder.

- 6.2. Notwithstanding anything to the contrary in this Agreement, the Repayment Amount payable to the Loan Unit Holders, shall be calculated and paid in the following order of priority ("**Order of Priority**") as follows:

Tranche Reference	Order of Disbursement	Remarks
<u>Tranche 1</u> of Repayment Amount	Priority 1	Principal Value of all Loan Units <ul style="list-style-type: none"> All Loan Unit Holders shall be eligible to receive the Principal Value from the Terminal NDCF arising from the sale of Properties. The percentage rate of distribution of the Terminal NDCF shall be the same for all Loan Unit Holders. The formula for calculating the amount of disbursement for a specific Loan Unit shall be = (Terminal NDCF arising from the sale of a Property (divided by) aggregate highest recorded Principal Value of all Loan Units as recorded in the books of accounts of the Borrower) (multiplied by) (Principal Value of each Loan Unit). At this stage, the maximum amount disbursed to a Loan Unit under Priority 1 shall not exceed the highest recorded Principal Value of each Loan Unit as recorded in the book of accounts of the Borrower.
<u>Tranche 2</u> of Repayment Amount	Priority 2	Proportionate disbursement of Partner's capital, if any, to all Partners of the Borrower.
	Priority 3	Final Additional Reward Value, if any, payable to all Loan Units. <ul style="list-style-type: none"> The total Final Additional Reward Value payable to Lenders / Loan Unit Holders shall be 80% of the (Terminal NDCF (minus) total amounts disbursed under Priority 1 and 2). The actual amount disbursed under Priority 3, may differ from one Loan Unit to the other. Other than in exceptionally adverse situations, the total Repayment Amount disbursed per Loan Unit, collectively under Priority 1 and 3 shall remain the same for all Loan Units.
	Priority 4	Proportionate disbursement of profits, if any, post repayment of amounts under Priority 1, 2 & 3, to all Partners of the Borrower.

- 6.2.1. As and when full repayment of Principal Value of each Loan Unit is completed in the manner described in Priority 1 of Clause 6.2 above, Tranche 2 of Repayment Amount gets triggered, and repayments are disbursed in order of priority (Priority 2, 3 & 4) as described in Clause 6.2 above.

- 6.2.2. Both Tranche 1 and Tranche 2 of Repayment Amounts are subject to availability of sufficient cash flows arising from the sequential sale of Properties.

- 6.3. In the event that the total Terminal NDCF from sale of all properties of the Borrower (including any reserve in the Bank accounts of the Borrower), is lesser than the Last Updated Principal Value of all the outstanding Loan Units issued by the Borrower, then the entire Terminal NDCF so available, shall be distributed fully and exclusively to the Loan Unit Holders, in the manner as described in Priority 1 under the Order of Priority. The Lender / Loan Unit Holder, hereby agrees and confirms not to make any claim of underpayment or disproportionate repayment or loss against the Borrower or Borrower's Partners / designated partners / vendors / service providers. Further, the Lender understands and agrees that no Final Additional Reward Value shall be payable in such a case.
- 6.4. In the event of: (a) destruction of the Property due to any statutory action, liability or a Force Majeure Event; or (b) impending imminent danger of erosion in value of the Property that triggers the requirement to sell the Property to safeguard the Partner's capital or Total Loan Amount or Principal Value of the Loan Units; or (c) upon a regulatory or statutory directive / action / threat of action on the LLP / MPM / Partners / Platform enforcing / necessitating the winding up of the Borrower by sale of its Properties or (d) increase in the market value of the Property beyond a compounded annual growth rate of 10% (ten percent) of the original Book Value of the Property and such market value is over 2 (Two) times the Book Value of the Property, then in such events, the Borrower shall be entitled to sell the Property at any time, to pay the Loan Unit Holders their applicable Repayment Amount. A "Force Majeure Event" for the purpose of this clause shall mean any of the following: fire, flood, earthquake or acts of God or terror; riots, civil disorders, rebellions in India; strikes, lockouts, government legislations, or any other unforeseeable event, beyond the control of the Parties.
- 6.5. All payment of the Repayment Amount shall be made after deducting any taxes as applicable, stamp duty or any other statutory charges as applicable.
- 6.6. Post the Cut-Off Date, or upon occurrence of any such events as mentioned in Clause 6 of this Agreement, the Borrower, at its discretion and upon receiving relevant advice from its tax advisor / accountant / auditor / legal advisor / Master Property Manager and based on the then prevailing laws of the land, may initiate such corporate action as may be required on the Loan Units, so as facilitate the transfer of the Repayment Amount to its Loan Unit Holders which shall include but not be limited to reconstitution of the Repayment Amount to Partnership Interest in the Borrower.

7. Assignments and transfers

- 7.1. The Borrower may assign, alienate or transfer all or any of its rights, benefits and obligations under this Agreement. Before undertaking the assignment of its rights, benefits and obligations to any other party, the Borrower shall obtain an approval from the Loan Unit Holders holding 76% (seventy-six percent) of the Loan Units, in the event where not less than 80% (eighty percent) of any consideration proposed to be received by the Borrower from such assignment or transfer of the business of the Borrower is for purposes other than for payment of Interest, Periodic Distribution and Repayment Amount to the Loan Unit Holders. In any other case, the Borrower shall obtain the consent of the Loan Unit Holders holding 51% (fifty one percent) of the Loan Units, to enable aforesaid transfer.
- 7.2. The Lender may transfer or assign, a part or all the Loan Units issued to it under this Agreement to the Purchaser in accordance with the Terms and Conditions. Such transfer and / or assignment of the Loan Units cannot be undertaken without the consent of the Borrower. It

is hereby clarified that the assignment of Loan Units would mean that while the Borrower has not received any new or additional Loan, the lender in the books of the Borrower has been changed (i.e., the Purchaser is now the lender in the books of the Borrower) and all rights and obligations associated with the Transferred Loan Units of the Lender under this Agreement has been assigned or transferred to the Purchaser who has purchased the Transferred Loan Units from the Lender.

- 7.3. The Borrower irrevocably and unconditionally confirms that it shall continue to be bound by the terms of this Agreement notwithstanding such assignment or transfer by the Lender and that the Purchaser shall acquire the rights, benefits and obligations associated to the Transferred Loan Units under this Agreement.
- 7.4. The Loan Units can be sold only digitally on the Platform and the Lender cannot assign or transfer the Loan Units in any other manner either physically or otherwise.
- 7.5. The Lender agrees that by assigning or transferring the Loan Units to the Purchaser, at the price mutually agreed between such Lender and Purchaser, the Lender has recuperated the Last Updated Principal Value, accrued Interest and any other profit associated to the Transferred Loans and the Borrower has no further liabilities whatsoever towards the Lender in relation to the Transferred Loan Units under this Agreement.
- 7.6. The Borrower, at its sole discretion shall restrict the assignment and / or transfer of the Loan Units, post the Cut-Off-Date and the Lender/Loan Unit Holders here-by agree to cease sale or assignment or transfer of the Loan Units held by them, post the Cut-Off Date, unless specifically authorized so by the Borrower. All communications with respect to such decisions shall be intimated to the Lenders independently in any manner.

8. Event of default and Consequences

- 8.1. Subject to Clause 6.1 and 6.2, if the Borrower fails to pay the Repayment Amount, for a period of 180 days from the Maturity Date, such default shall be viewed as an 'Event of Default'.
- 8.2. On and at any time after the occurrence of an Event of Default, the Lender may by notice to the Borrower shall declare that the Loan, together with Interest and all other amounts accrued or outstanding under this Agreement to be immediately due and payable by liquidating the Property, whereupon they shall become due and payable ("**Due Amount**").
- 8.3. Non-payment of Interest on the Loan Units shall not be an Event of Default, as the Loans are variable interest loans, they are not guaranteed at a fixed interest rate and the Interest payments are solely subject to positive NDCF in a given period.

9. Representations and warranties

- 9.1. Each Party hereby represents, warrants and covenants to the other as follows:
 - a. All the information supplied under this Agreement are true, complete and accurate in all material respects. The Parties are not aware of any material facts or circumstances that have not been disclosed by one Party to the other Party, which might, if disclosed, adversely affect the decision of a person considering whether or not to enter into such arrangement basis the terms set out under this Agreement.

- b. It has the full power and authority to enter into this Agreement and to perform its obligations hereunder, without the need for any consents or other actions not already obtained;
- c. It is and shall remain in compliance with the Applicable Laws including identifying, procuring and maintaining applicable registrations, permissions, permits, licenses, certificates, approvals and inspections required under such Applicable Laws;
- d. It is able to pay its debts generally as they become due, is not involved in or consented to a petition for bankruptcy, or for reorganization or alteration of the rights of its creditors, and does not contemplate any such proceeding will be brought against it or its assets; and
- e. It shall not make any defamatory or derogatory statement against the other Party.

9.2. The Borrower represents, warrants and covenants to the Lender as follows:

- a. It is a limited liability partnership duly organized, validly existing and in good standing under the Applicable Laws;
- b. The Property that it intends to purchase, as per the independent Property title due diligence is free from any significant encumbrances, attachments, claims, clogs, hindrances, lis pendens, and the Borrower is the sole owner of the Property;
- c. It has disclosed all facts relating to the Loan to the Lender and has made available to the Lender all the details in respect thereof; and
- d. It has disclosed the independent Property title due diligence reports and the independent market and price/valuation reports conducted by it, prior to the purchase of the Property.

9.3. The Lender represents, warrants and covenants to the Borrower as follows:

- a. The Lender is either a person resident in India or a non-resident Indian under IT Act and FEMA in India extended the Loan Amount in a manner that qualifies as domestic investments under FEMA and has the capacity and the authority to enter into this Agreement and to exercise its rights and perform its obligations hereunder.

Or

- It is a company or a sole proprietorship or a limited liability partnership or a duly regulated & registered fund or investment platform, duly incorporated in India, and qualifying as a person resident in India under the IT Act and FEMA and the Lender has the capacity and the authority to enter into this Agreement and to exercise its rights and perform its obligations hereunder.
- b. The Lender has duly read and understood the [Terms of Use](#) and [Privacy Policy](#) and onboarded to the Platform by completing all the formalities and has received all requisite details such as online account and requisite user identification.
- c. The Lender, prior to deciding to lend to the Borrower, has duly read and understood the title due diligence reports, technical due diligence reports and the independent market and price reports in connection with the Property, that has been independently conducted by the Borrower prior to the purchase of the Property.
- d. The execution, delivery and performance by the Borrower of this Agreement and the acts and transactions contemplated hereby, do not and will not, with or without the giving of notice or lapse of time or both, violate, conflict with, require any consent under or result in a breach of or default under:
 - i. any Applicable Laws to which the Lender is subject; or
 - ii. any order, judgement or decree applicable to the Lender; or
 - iii. any term, condition, covenant, undertaking, agreement or other instrument to

- iv. which the Lender is a party or by which the Borrower is bound; or
the MOA/AOA/Partnership deed of the Lender, where applicable.

10. Limitation of Liability

- 10.1. The Lender hereby agrees and acknowledges that the aggregate liability of Borrower under this Agreement shall not in any situation exceed the total amount due and payable by the Borrower to the Lender with respect to the Loan availed hereinunder, on the date of the claim. Further, under no circumstance shall the Borrower, be liable to the Lender for any amount, regardless of the nature of claim, for any special, incidental, consequential, or indirect damages, loss of goodwill, loss of revenues or profits, loss of data, work stoppage or for exemplary or punitive damages, arising out of, or relating to this Agreement whether framed as a breach of warranty, in tort, contract, or otherwise even if the Borrower had been advised of the possibility of such damages.

11. Communications and Notices

- 11.1. All notices, notifications, requests, demands or determinations provided by one Party to the other under this Agreement must be in writing and delivered by: (a) hand delivery, (b) certified mail, return receipt requested, (c) recognized overnight courier service, (d) email, or (e) any electronic communication with a time stamp facility, to the other Party's respective address (as applicable) given below:

If to Lender:

Attention: NARAYANAN KUPPURAJ

Address: Building 325#Flat no-S2, 13th Main 4th left Cross, Channakeshavanagara Hosaroad, Bengaluru, Karnataka, 560100

Email: narayanan.kuppuraj@gmail.com

If to Borrower:

Attention: The Designated Partners

Address: 403, 4th Floor, 2nd Cross, 6th Main, Grand Majestic Mall, Gandhinagar, Bangalore Dist
Offices Bldg, Bangalore 560009

Email: areipseriesa0009llp@gmail.com

- 11.2. All notices, notifications, requests, demands or determinations shall be effective: (i) upon actual receipt; (ii) two (2) business days after being sent by certified mail; (iii) two (2) business days after being sent by a recognized courier; or (iv) on the same business day on which it is sent by email (or on the next business day, if the email is sent after 6 p.m., recipient's time).

12. Jurisdiction and governing law

- 12.1. This Agreement shall be governed and construed in accordance with the Applicable Laws and the Parties hereby submit to the exclusive jurisdiction of courts and tribunals at Bangalore. The submission to the jurisdiction of the courts and tribunals of Bangalore is for the benefit of the Borrower only and shall not (and shall not be construed so as to) limit the right of the Borrower to initiate proceedings in any other court of competent jurisdiction, nor shall the initiation of proceedings by the Borrower in any one or more jurisdictions preclude the

initiation of proceedings by the Borrower in any other jurisdiction (whether concurrently or not) if and to the extent permitted by Applicable Laws.

13. Termination and release

- 13.1. Upon the payment of Repayment Amount to the Loan Unit Holder or upon assignment or transfer of all the Loan Units of the Lender to a Purchaser, in accordance with this Agreement, subject to Clause 15.1, the rights and obligations of the Parties under this Agreement shall stand terminated.

14. Confidentiality

- 14.1. Subject to Clause 14.8, each Party agrees that it (the, “**Receiving Party**”) shall not, without in each instance obtaining the prior consent of the other Party (“**Disclosing Party**”) disclose, make commercial or other use of, or give or sell to any person, firm, or corporation any confidential information received directly or indirectly from the Information Provider or acquired or developed in the course of the performance of this Agreement.
- 14.2. Receiving Party hereby agrees to: (a) hold the confidential information of the Disclosing Party strictly in trust and confidence; (b) use the Disclosing Party’s confidential information only for the purpose for which it is meant as provided by this Agreement; (c) reproduce the Disclosing Party’s confidential information only to the extent reasonably required to fulfill its obligations hereunder, and provided the third party receiving such confidential information is bound by confidentiality obligations as restrictive as those contained herein; (d) not disclose, deliver, provide, disseminate or otherwise make available to any third party, directly or indirectly, the Disclosing Party’s confidential information; and (e) at all times, maintain appropriate internal policies and procedures sufficient to satisfy its obligations hereunder.
- 14.3. In protecting the Disclosing Party’s confidential information, the Receiving Party shall take at least the same degree of care that it uses to protect its own confidential information of similar nature and importance and in no event, less than reasonable care.
- 14.4. The obligations of Receiving Party in relation to Disclosing Party’s confidential information shall not relate to such information which: (a) is generally known or available other than by any act or omission of Receiving Party; (b) was rightfully known to Receiving Party prior to the time of first disclosure by Disclosing Party; (c) was rightfully obtained without restriction from a third party who has the right to make such disclosure and without breach of any duty of confidentiality; or (d) required to be disclosed to comply with Applicable Laws or a court or administrative order; provided however, that to the extent it is practicable and legally permissible Receiving Party shall keep Disclosing Party informed of such disclosure.
- 14.5. Upon expiry or early termination of the Agreement, or at any time upon the request of the Disclosing Party, Receiving Party shall immediately return all material embodying confidential information belonging to the Disclosing Party and all other information, documents, manuals, literature and materials belonging exclusively to the Disclosing Party, including any copies made thereof, or at the option of the Disclosing Party destroy all such information and materials, including all copies thereof in the manner specified by the Disclosing Party and promptly provide a written confirmation of such destruction.

- 14.6. The confidentiality and non-disclosure obligations of each Party shall survive for a period of 12 (twelve) months from the date of expiration or earlier termination of this Agreement. All material, regardless of form, containing the Service Recipient's or a client of the Service Recipient's confidential information shall be the property of the Service Recipient and shall be destroyed or returned to the Service Recipient, at the Service Recipient's option or as provided for under this Agreement at the expiration or earlier termination of this Agreement, or as otherwise specifically provided in this Agreement.
- 14.7. Both Parties agree that each has and shall retain ownership rights to its own confidential information and that upon expiration or termination of this Agreement and request from the other Party, each Party shall return the other's confidential information regardless of the media in which it is stored upon a request in writing being made by the respective Party; provided that each Party may retain such confidential information in accordance with its internal document retention policies.
- 14.8. Notwithstanding anything mentioned to the contrary, the Borrower may disclose the Lender's information, to the extent necessary, to third party service providers whose services are used by it, to render services to the Lender. Such third parties may include the Borrower's bankers, payment gateways, escrow agents, trustees, administrators, designated partners of the Borrower, property managers appointed by the Borrower in connection with the Property, auditors, accountants, technology vendors / partners, service providers KYC Verification Partners, Data Storage Companies amongst others.

15. Miscellaneous

- 15.1. **Survival:** The provisions of Clause 9 (Representations and Warranties), Clause 12 (Jurisdiction and governing law), Clause 14 (Confidentiality), and Clause 15 (Miscellaneous) shall survive the termination of this Agreement.
- 15.2. **Severability:** If any provision of this Agreement or the application thereof to any person or circumstance is held to be invalid or unenforceable to any extent, the remainder of this Agreement and the application of such provision to persons or circumstances other than those as to which it is held invalid or unenforceable shall not be affected thereby, and each provision of this Agreement shall be valid and enforceable to the fullest extent permitted by Applicable Laws. Any invalid or unenforceable provision of this Agreement shall be replaced with a provision, which is valid and enforceable and most nearly reflects the original intent of the unenforceable provision.
- 15.3. **Reservation of Rights / Waiver:** No forbearance, indulgence or relaxation or inaction by either Party at any time to require performance of any of the provisions of this Agreement shall in any way affect, diminish or prejudice the right of such Party to require performance of that provision at a later point of time. Any waiver or acquiescence by either Party of any breach of any of the provisions of this Agreement shall not be construed as a waiver or acquiescence of any right under or arising out of this Agreement, or acquiescence to or recognition of rights and/or position other than as expressly stipulated in this Agreement.
- 15.4. **Entirety:** This Agreement is the entire agreement recording the understanding reached between the Parties in respect to matters concerning this Agreement.
- 15.5. **Relationship:** Nothing contained in this Agreement shall constitute a partnership between the

Parties or authorise any Party to act as an agent of the other except to the extent specifically agreed in writing.

- 15.6. **General Compliance:** The Parties agree that they shall, in the performance of this Agreement, comply with all legal and regulatory requirements as may be applicable from time to time.
- 15.7. **Amendment:** This Agreement may be modified or amended only by writing duly executed by all Parties. Notwithstanding the above, the Parties agree that the Borrower shall be free to amend the terms of this Agreement without the consent of the Lender, at its sole discretion, if (a) changes/modifications proposed to be made to the Agreement are not detrimental or prejudicial to the rights of the Lender; or (b) changes are required to be made due to a contravention with any existing Applicable Laws or revisions, proposed changes to Applicable Laws, that affect the subject matter of this Agreement. In such event, the Parties hereto agree that this Agreement shall be automatically amended to the extent necessary. The Parties shall take all necessary actions to ensure compliance with such changes.
- 15.8. **Cumulative Rights:** All remedies of the Parties under this Agreement whether provided herein or conferred by statute, contract, civil law, common law, custom, trade, or usage, are cumulative and not alternative and may be enforced successively or concurrently.
- 15.9. **Counterparts:** This Agreement may be executed in any number of counterparts, all of which taken together shall constitute one and the same.

IN WITNESS WHEREOF the Parties hereto have caused this Agreement to be executed on the day and year and at the place hereinbelow written and in the manner hereinafter mentioned.

FOR Borrower

Signature: _____

Name: AVIJIT MISHRA

Designation: Designated Partner

FOR Lender

Signature: NARAYANAN KUPPURAJ

Name: NARAYANAN KUPPURAJ

Designation: Partner

ANNEXURE A

Description	Particulars
Borrower's Email ID	areipseriesa0009llp@gmail.com
Type of Property	All Properties owned by the LLP
Lender's Address	Building 325#Flat no-S2, 13th Main 4th left Cross, Channakeshavanagara Hosaroad, Bengaluru, Karnataka, 560100
Lender's Email Id	narayanan.kuppuraj@gmail.com
Loan Agreement Reference Number	2023/BPLIO/001
Principal Value of Loan Unit	5762.78
Number of Loan Units issued to the Lender	144
Loan Unit Series Numbers, issued to the Lender	

Total Loan Amount subscribed by the Lender	1037300	
Initial Loan Period	End of 15 years from the Effective Date of this Loan Agreement	
Maturity Date	End of 15 years or 20 years (in case of extension) from the Effective Date of this Loan Agreement	
Cut-Off Date to extend Initial Loan Period	End of 12 years from the Effective Date of this Loan Agreement	
Commencement of sale of Properties held by the LLP and initiation of repayment to lenders	Unless and otherwise mentioned as per Clause 6.3 of this agreement, it shall be by the end of 9 years from the Effective Date of this Loan Agreement	
Record Dates and corresponding Interest and /or Distributions and / or Repayment Amount Payment Date	Record Date for each month	Corresponding Interest and/ or Distributions and / or Repayment Amount Payment Date
	For January, it shall be 30 th of the month	The 28th day of the following February
	For February, it shall be the 28 th of the month	The 30th day of the following March
	For other than January and February, it shall be the 30 th day of each month	The 30th day of the following month
Rate of Interest	Interest Rate is neither fixed nor guaranteed. Interest is variable and its payment is subject to availability of positive NDCF	
Mode of Payment for Interest / Distributions / Repayment Amount	Unless communicated otherwise, Lender authorizes the Borrower to credit the proceeds to its Virtual Bank Wallet on the Platform.	

Annexure B
[LLP Agreement](#)