



Tokenization of real estate.
We made it *real easy*

Legal Disclaimer

The purpose of this White Paper is to present Real Easy and the RETO token to potential token holders in connection with the proposed real estate backed tokens offering.

The information set forth below may not be exhaustive and does not imply any elements of a contractual relationship. Its sole purpose is to provide relevant and reasonable information to potential token holders in order for them to determine whether to undertake a thorough analysis of the company with the intent of acquiring RETO tokens. All relevant legal information is contained in the Token Purchase Terms and the Token Purchase Agreement.

This White Paper does not constitute an offer to sell or a solicitation of an offer to buy a security in any jurisdiction in which it is unlawful to make such an offer or solicitation.

Our RETO token is a security token as it entitles token holders to receive securities of the companies that will hold assets in their possession.

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I. Real Estate market inefficiencies call for changes

The biggest asset class but with limited accessibility. Real estate is the biggest asset class in the world. It is also one of most inefficient for a number of reasons. For an investor it requires a significant amount of capital to enter, and specific knowledge or professional advice is needed. Transaction fees are high and associated professional services are costly. Complicated cross border transactions often discourage foreign real estate buyers, even from within the EU. Real estate as an asset class is still limited to professional investors. On the other hand, depending on the country 50% to 85% of European household assets are accumulated (or should we say *locked*) in real estate¹. This indicates that willingness to invest in the real estate class is high among retail investors.

An entire generation has become rent trapped. From the perspective of young people wanting to own a place to live in, things do not look good. Housing accessibility indexes in many countries reveal increasing barriers to becoming a residential homeowner. Large numbers of buildings become concentrated in the hands of landlords, leaving rent as the only accessible way to live a quality life. UK research shows that up to a third of young people face living in private rented accommodation for their entire lives². Those figures are double compared to the previous generation. The term *rent trap* is being used to describe this issue.

Almost one in six dwellings in the EU are unoccupied³. There is some reasoning behind keeping homes empty, like migration or underused holiday homes, but a large part of these homes are kept empty with passive investment in mind or neglected because of low liquidity. There are cities like Paris or Oslo, where single persons occupy more than half of all dwellings⁴. More than 2.5 million homes in the UK could be listed on the property market if older owners were given better incentives and information on downsizing⁵.

Banks want lenders to remain where they are. Market inefficiency is no problem for banks. Anybody who has ever tried to renegotiate their mortgage with the bank knows how hard it is. Life changes fast; people need dwellings suitable for their current life situation. Bankers do not want people to move. They try to maintain the *status quo* by introducing procedures and fees. Freedom of switching creditors and freedom of choice spell trouble for bankers, whose business is based on redistributing capital. New technological solutions will do it faster, with more transparency and at a reduced cost. Most banks will have to make place for fintech start-ups or reinvent their business models.

Market inefficiencies pose a number of problems. Owners of dwellings often live in conditions that are not optimal for their life stage. Cross border real estate acquisitions are difficult and people willing to invest in real estate are limited by high entry barriers. Young people willing to step onto the ownership ladder have difficulties to do so. Banks and regulators dictate the market rules. Most potential is locked – but not for long.

¹ Source: Household Finance and Consumption survey (HFCS) 2013

² Resolution Foundation, BBC. 2018

³ Eurostat. People in the EU - statistics on housing conditions. 2017

⁴ Eurostat. People in the EU - statistics on housing conditions. 2017

⁵ Royal Institution of Chartered Surveyors (Rics), 2015

II. Blockchain technology is here to make radical changes in Real Estate

Tokenization of real estate. Tokenization is set to become the new norm in real estate. Fractional ownership has been a headache for lawmakers, registry administrators, and lawyers for quite some time. It was difficult to secure the interests of several owners in the same real estate object. This will change with blockchain. Dividing a real estate object between 10,000 or more owners can be easily managed with blockchain technology-based solutions. The legal side of things will remain an issue for some time, but soon a house or flat owned by thousands of fractional owners will be usual. It is not easy to imagine all the possibilities of things to come, just like it wasn't easy to imagine the internet's potential when it was first introduced.

Tokenizing real estate will change the nature of financing and buying. The revolutionary solution of real estate tokenization will put a large number of bankers, lawyers, and landlords aside and generate more returns for regular investors, or people who want to enjoy owning something of value. The need for a down payment will disappear. The need to meet with a bank clerk will disappear as well. You will be able to get a small fraction (security token) of a house or flat in just a few clicks. You will also be able to enlarge the part of a property you own as fast as you like, or as fast as you can afford to. You will plan the payment schedule, not your bank. You will also be able to use the space you co-own as a tenant. Part leasing/part owning a dwelling will become easy and normal – without a bank.

Tokenized real estate will open new possibilities for investors. Instead of needing to save large sums of money for real estate investment, you will be able to start right away. Real estate will be available in fractions as small as square centimetres, available for the price of a cup of coffee or two. Think about it as a piggy bank, just a more fun asset-backed and cash generating way of saving money. Those small fractions of a house or flat will generate returns, as the property in question will be used for leasing. Security tokens will be liquid - easily traded in secondary markets.

Cross border buying or selling will be easy. Imagine yourself in one of busy cities of Japan dreaming about that relaxed and peaceful sunrise with a sea view to Mediterranean Sea. With Real Easy you will be able to buy that dream villa in Italy or French Riviera, centimetre by centimetre. Or penthouse in Paris, if you like that more. This is how you will get closer to your dream in small but steady steps. Enjoy views of the property, feel the ownership of it, tell about it to your friends or rent it for your vacations when it is available. This kind of investment brings much more fun than just owning some bonds of an unknown company.

New opportunities will be unlocked for those who already own a real estate. Owners will be able to reduce the total part of a property they own and free up some capital to use elsewhere. Using one's property instead of a bank, which requires a loan and subsequent interest rate, may sound too futuristic now, but it will happen very soon and the process will be simplified to a few clicks. Smart contracts will make sure that all parties keep their promises.

We will have a unique legal solution in place. Technology develops faster than legislation. Technically, the tokenization of real estate is already possible, but there are some legal questions that still need to be answered. They are mainly related to protecting the interests of fractional owners (security token holders). We are currently in talks with an central bank of one of EU countries and are going to have a legitimate solution in time for the tokenization of our first real estate object. The model will be scaled to other countries with adjustments to local laws made.

III. How Real Easy will drive changes faster

We will launch a unique Real Easy tokenization platform (this is not crowdfunding project).

The platform MVP is under construction now and will be available for viewing (follow the link on our website www.realeasy.io). It will be unique in addressing the needs of three target audiences - investors, tenants and owners. The platform will ensure the careful selection of properties to be tokenized and make sure token holders receive their returns.

We will tokenize our first property to perform a reality check. The RETO token will be a true security token backed by real assets. Our idea is real estate tokenizing. It is not about raising capital for some moon shot idea. We love simplicity. We will tokenize our first property where one RETO token will equal exactly one square centimetre of the property. No more, no less. The value of the RETO token will not go disproportionately high but will also never sink down to zero.

We will scale from there and maintain a leading position in the process. After processes will be established and checked, scaling will happen quickly. We believe there is a demand for tokenization driven by small retail investors, tenants who would like to move towards ownership and owners who would like to free up some capital from the properties they own.

IV. The Real Easy property tokenization process

Ensuring quality selection of objects. Trust is very important factor for all participants of the transaction. Object offered for tokenization has to be correctly valued, free of any legal issues, technically well maintained. Process of object selection is developed by Real Easy team and will be managed by the platform. Anybody will be able to offer object to be tokenized in future. We will organize legal and technical due diligence and independent valuation of property. In case object will meet criteria, financial forecast will be made to give indication of returns.



Various RETO token distribution scenarios will be used in future. Many options will be possible after tokenization of property - current owner may wish to keep part of it as an owner and to become a tenant of the remaining part. We will make that possible. Variables like exit fixed in time, or exit tied to some target return results will be tested and offered for the investors. This will vary from object to object and will be implemented in smart contracts. Separate token offerings will be made for each property. We will stick to the rule one token for one square centimetre in each case.

Ensuring cash flow for the investors. Financial model will be done for each property to estimate cash flows and possible increase in value over time. Different schemes will be used to find and administer tenants. We expect there will be a demand from RETO token holders to use the property, but we also cooperate with third parties who market properties. Short term and long-term leasing

will be used, depending on specific property and financial plan. Rental income will be paid on yearly basis proportionally to your investment. Because of legal requirements we will have to implement KYC (Know Your Customer) procedures before payment will reach each token holder. Once again - RETO tokens will be security tokens, backed by real estate asset.

RETO token holders will have a priority to lease the property. Token holders, who in fact will be true owners of the property, will have a priority to use it. Technically it will be managed as a standard lease contract, except that part of tenant's payments will be paid back to him as an owner. Highest priority will have token holders of that specific property, for example RETO ^{villa flora}. Next, we will make property available for any other RETO token holder. If no interest will be shown from RETO community, we will open property for any other tenant. We believe, that RETO token holders have to have possibility to enjoy their property in real life. We even have a plan to make an owners' party before letting tenants in. Ownership has to bring fun, not returns only, doesn't it?

Various exit scenarios will be offered.

Exit via secondary market. We estimate RETO tokens will be traded in secondary market at some optimal value. The value will stabilize close to the property value. We would not like to see much of speculating with RETO tokens, as there are no logical grounds for that. Some irrational activities can happen in short period. We do expect some price fluctuations depending on crypto currencies markets. RETO tokens being backed by clearly valued asset will act as a safe haven for some investors. Some parallels with gold in traditional capital markets can be drawn, price of gold goes up in unpredictable times.

Exit planned in time. The sale of the property can be planned in time. For example it can be set to five years. In this case all gains from change of value of the property will be distributed to token holders in addition to yearly rent income.

Exit based on achieved returns. Exit can also be related to achieved return. If there is a favourable time in market and there is a buyer offering a price meeting the threshold of returns, all tokens will be sold and returns paid for the owners. In each case exit scenario will be specific to individual object. Exit modelling will be part of financial plan. Scenario will be coded into smart contract.



V. RETO is a security token linked to a specific real estate object

RETO will be the first square token linked exactly to one square centimetre of a given property. We call it the 1:1 rule, meaning one token for one square centimetre.

The value of RETO tokens will never drop down to zero, as a share of tangible assets will be associated to it. This position can be seen as a safe and stable investment in an otherwise volatile cryptocurrency

market. The project will generate stable cash flows in the form cryptocurrencies and/or fiat money in the form of rental income.

We estimate the demand for short and long-term rentals will come from the Real Easy investor community. In case the demand within the Real Easy investor community is insufficient, we will use our chosen partner to offer real estate to tenants.

Returns will depend on the type of real estate object. Sources of returns can vary; in some cases it will be a combination of more than one source of return. Estimated returns will vary from object to object and will be presented for each object individually. When it comes to returns generated by a long or short-term lease: 4-12% can be expected for a short-term lease and 2-6% for a long-term lease. The value of real estate is expected to grow with time. Investments will grow naturally, as they are linked to assets. It is difficult to predict, but in some areas the change in value can reach 15% annually. Details for each tokenized real estate object will be clarified and presented to investors.

VI. The Real Easy tokenization platform to be ready soon

The alfa version of the Real Easy tokenization platform is already under construction. This will be the main tool to keep in touch with investors, tenants and property owners, and will serve as a tool to ensure the transparency of the processes. Part of the work (especially related to the selection and valuation of properties) will not be automated initially. The platform will help keep track of what happens and when it happens, give real time information about investor portfolios and returns, and store property related documentation. The engine will have an API for collaborations with third parties. A secondary market of tokenized real estate is currently being discussed as a future option

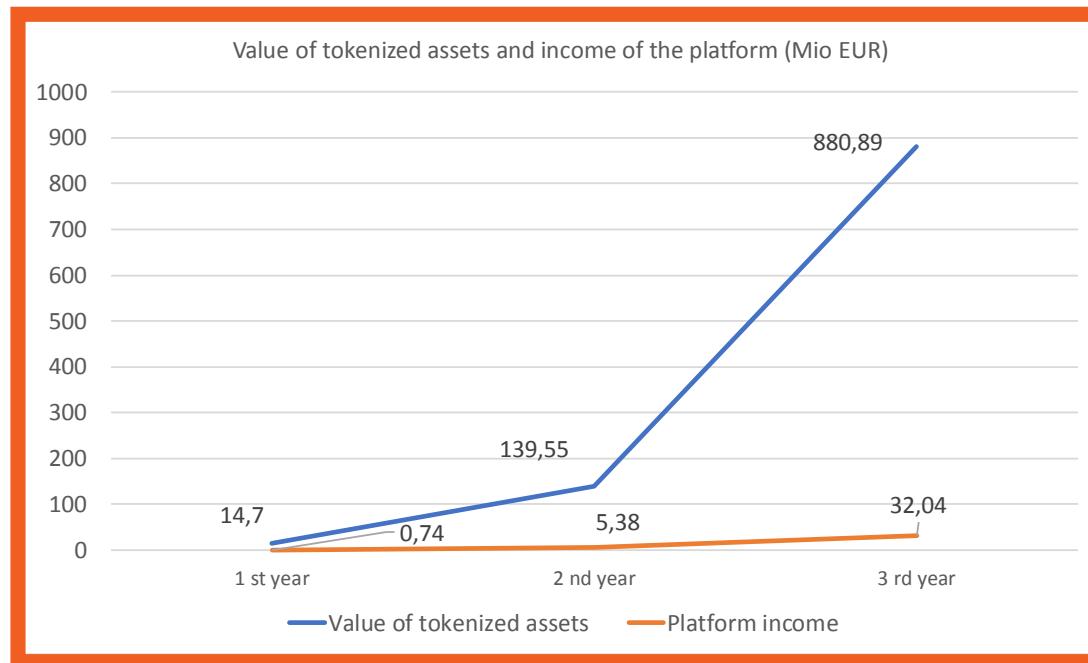
The platform design is being built with investors, tenants and owners in mind. Investors will be able to see what properties are being prepared to be tokenized, and what stage each property is at. Investors will be able to buy RETO tokens for a specific property manually or with automated orders meeting set criteria. Tenants will see tokenized properties available for rent. Imagine living in tokenized property as a tenant where at the end of a successful week you can buy some more square centimetres of place you live in, and buy even more the next week, because the price is good. Sounds like a very advanced futuristic piggy bank, doesn't it? Property owners will be able to offer their properties for tokenization with later options to offer all of it or a small fraction as a fixed term loan. These particular properties will be subject to our due diligence and valuation. Reading the descriptions of Real Easy's rival platforms, we have not been able to identify a similar approach. It's good to know we are ahead of the pack in this regard!

The platform will not be limited to properties found by Real Easy or offered by owners. Once the basic processes are in place and tested, we will open the platform to trusted third parties. We will work to eliminate all possible bottlenecks. We are inspired by the fact that even if just 0.1% of world's properties become tokenized, it still reflects 217 billion USD worth of assets⁶. Sounds like the next big thing, right?

⁶ Savills world research. 2016 (www.saviils.com)

VII. The Real Easy platform business model

The platform's business model is based on tokenization fees. A fee representing 5% of tokenized real estate value will cover costs associated to property selection, technical and legal due diligence, valuation, business plan development and transaction costs. Also, there will be a fee calculated from the gross rent fee annually (up to 15%), which will cover property management fees, letting fees, and contribute to establishing a fund for future building maintenance.



VIII. A tokenization platform and the first tokenized object - note for investors

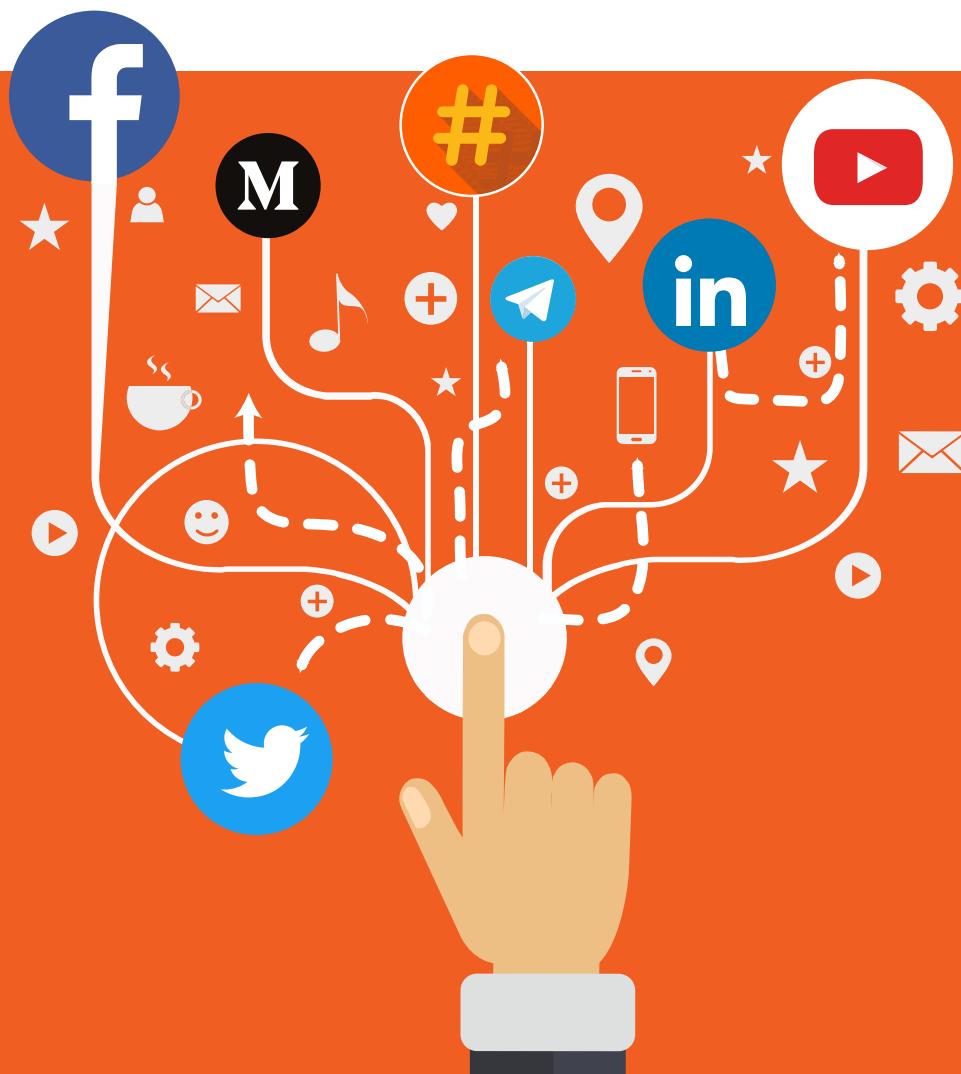
Two ideas that should not be mixed up. ① We are developing a tokenization platform and ② we are offering security tokens for the first tokenized property (RETO tokens).

The platform is not being offered publicly. The platform's ICO will be offered for institutional and private investors at the first stage. We will move faster with platform development once more funds become available, but there is no need to go worldwide with an expensive campaign. We are currently holding talks with investors. Please contact the Real Easy team if you see a potential for any kind of partnership.

Security tokens of the first tokenized property RETO are offered and will happen as described in this paper. The first tokenization of a property will happen without having a fully functional platform (please see road map). It is OK for us to continue with more manual work in testing the tokenization idea as such. We love the idea of tokenization being much more than a platform. Putting effort into the developing and fine-tuning processes, the legal side of things and investor relations are what set us apart from the majority of competitors, who are more engaged in developing IT solution platforms or are implementing crowd-funding solutions, which do not unlock the full potential as we see it.

Project	Tokenization of first property (offered publicly)	ICO of the platform (currently not offered publicly)
Type	Security token RETO	Security token
Soft cap	No soft cap (related to actual asset)	8.959.877 Eur
Target amount	Target amount equals asset value	25.037.277 Eur
Proceeds allocations	Proceeds allocation - 90% - property aquisition, 5% project management, 3% Marketing, 2% legal and advisory	Business development
Discounts	No discounts available	First stage offered to private investors only

If you support the idea and would like to be part of the platform development side of our idea, we are ready to discuss opportunities with you. We are open to all types of cooperation, varying from financial investors to partnership with teams having specific know-how or contacts. We also invite everybody to join our community and help spread the word.



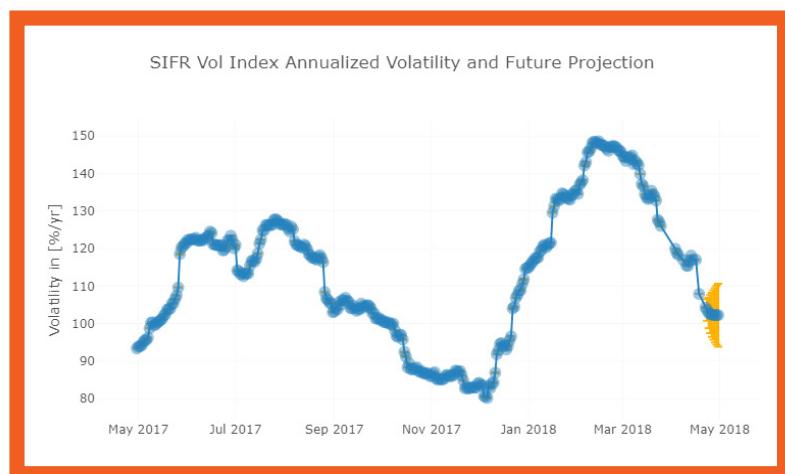
IX. Who should invest the first tokenized property and why

IX. 1. You might think that investing in real estate is boring

And you are probably right - real estate is boringly stable, at least when looking from the highly enthusiastic investors' perspective. Those investing in cryptocurrencies (or blockchain tokens) are tolerating the high volatility of their assets. This is the price to be paid for high returns. Situations where the top-25 cryptocurrencies rise or fall 33% per day, or 50% per week are normal. Any long-term forecasts are impossible. The value of many tokens is based only on the expectations of highly successful projects, but in reality, influencers, speculation, pumping and dumping, and fake news also play a role – not to mention panic generated by stealing.

Given the current investment context, we might be entering a time of too much drama - and investors need a safe haven for their crypto funds, very much like when traditional investors turn to gold from time to time. There is a need for tokens based on some real value (in our case based on real estate). Most cryptocurrency assets are highly dependent on the performance of the overall cryptocurrency market. We believe a readily available stable token is needed to reduce risks to investor portfolios.

Cryptocurrency volatility is increasing. Stable tokens are needed to manage risks.



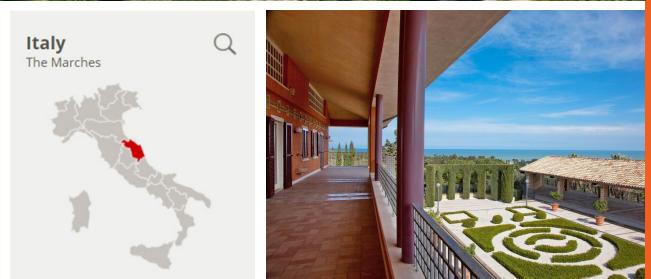
So invest in RETO security tokens if you seek stability or want to balance your portfolio with stable assets. There are also scenarios where investors want a break from actively managing their crypto-investments. The RETO token can do just that - park your funds so you can take a rest.

IX. 2. You know that sweet feeling of ownership

There is no need to own an entire villa by yourself to be able to feel like an owner. We will organise an owners' party before offering a first property on the rental market. We promise to make the property available for owners as a holiday destination (you will have to come as a paying guest, though part of the money you pay will come back to you in form of rent income). RETO tokens will be associated with a specific property so you will be a legal fractional owner of that property. Your Facebook friends will like it for sure.



Details and accessories	
	Surface: 2.660 mq
	Bedrooms: 6+5
	Bathrooms: 14
	Land of 12 hectares with olive grove
	Conditions: excellent
	Energy efficiency rating: G
	EPI: 131
	Avenue lined with trees
	Fireplace
	Garage
	Garden with lawn
	Guest house
	Indoor covered swimming pool
	Lift
	Olive grove
	Sauna



X. Details of the first object to be tokenized by Real Easy

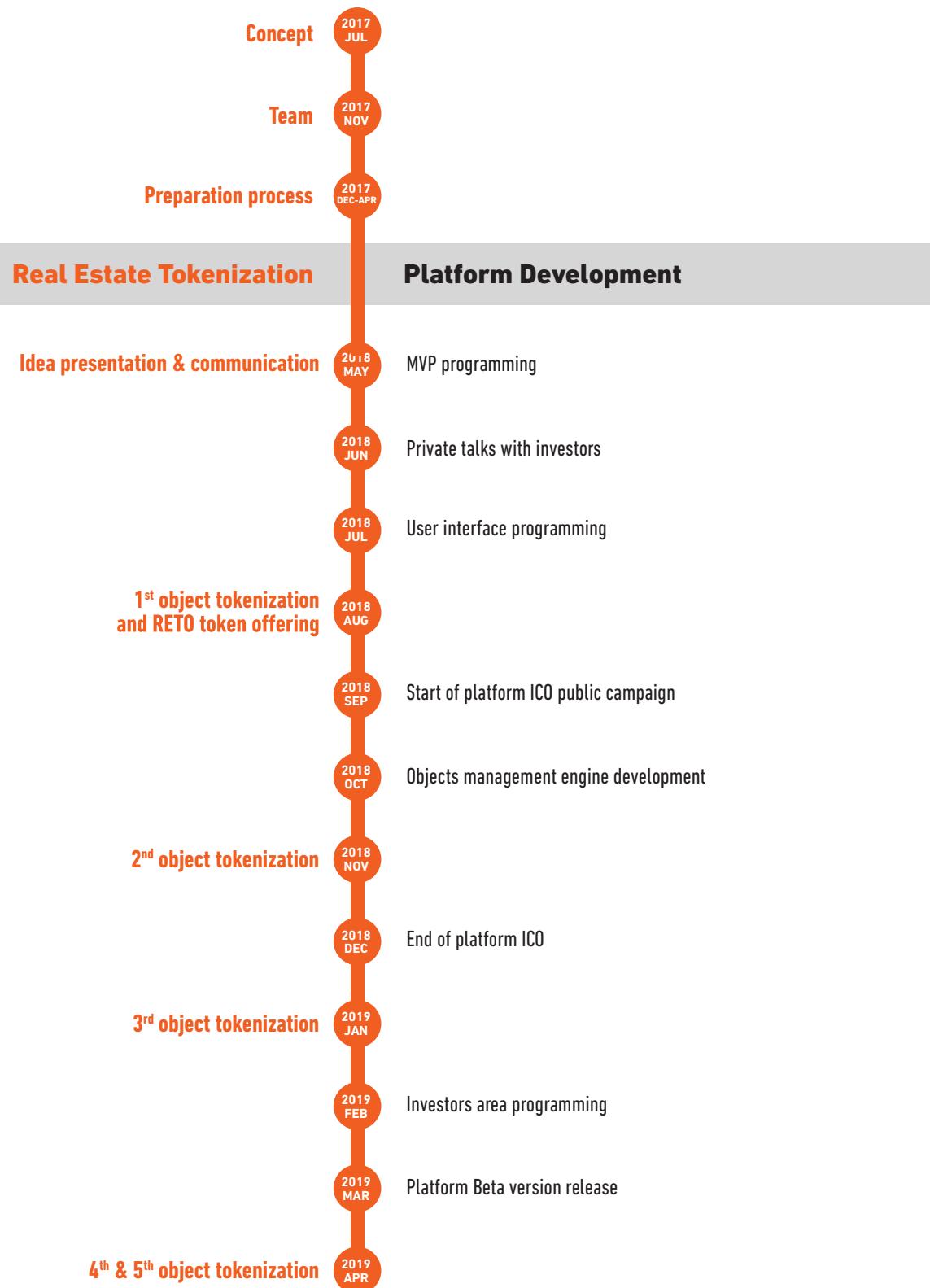
Luxury villa with sea view in Italy

TENUTA DEGLI ANGELI is a majestic property situated in a dominant position with stunning views of the sea. Surrounded by 12 hectares of splendid park with an olive grove, the property includes the main house, a structure which has an indoor 12x6 m swimming-pool and rooms for guests, as well as a detached house for the caretaker, with an overall net surface area of 2,776 sqm. Luxury finishes, marble floors, ancient brick vaults, wainscoting.

A shady tree-lined avenue leads to the top of the hill, in the vicinity of the villa. Around it, every area was studied and designed to take full advantage of the beauty of the landscape and the location, while respecting the original natural environment. An imaginary axis crosses the villa, connecting the pond, located below the orchard, to the garden and to the large lawn, up to the woods located higher up. A centuries-old olive tree was planted near the villa, enhancing the property's large olive grove below, standing out against the blue sea.

XI. Roadmap

The first stage of the project will be to buy a house for tokenization and develop an owners' administration platform MVP. Token holders will actually own one square centimetre of the total building area for one RETO token.



After the first property is tokenized and our idea proves to be functional, we will issue a new emission of tokens for the next property.

XII. RETO token offering information - villa Tenuta Degli Angeli

XII.1 Whitelist

We will invite everyone to state their interest in our RETO token offering and become owners of luxury villa Tenuta Degli Angeli (Italy). RETO tokens offering will start in August 2018. Only whitelisted investors will be invited, subject to KYC procedures. Register your interest in whitelist now - go to our web page www.realeeasy.io. The offering will end on September 2018 or earlier if sufficient funds will be received.

XII.2 RETO token offering details

- RETO tokens are tokens backed by asset - villa Tenuta Degli Angeli
- One RETO token will equal one square centimeter of villa. Net area of villa is 2776 square meters or 27.760.000 square centimeters.
- Following the 1:1 rule, one RETO token is offered for one square centimeter
- 27.760.000 of RETO tokens will be offered for a total value of villa - 4.900.000 EUR
- Value of one RETO token will equal 0,176513 EUR when offered
- The accepted currency during the ICO is Ether, Bitcoin and Euro;
- In case if the RETO tokens will not be distributed, all funds will be returned automatically to the RETO holders via an Ethereum smart contract.
- Estimated annual rental income for the villa is 3,6%. Paid for token holders once per year, subject to KYC procedure.

Issuer	Real Easy
Establishment	EU
Legal qualification	Security token
Our goal	4.900.000 EUR
RET tokens generated (one token for one square centimeter)	27.760.000 RETO

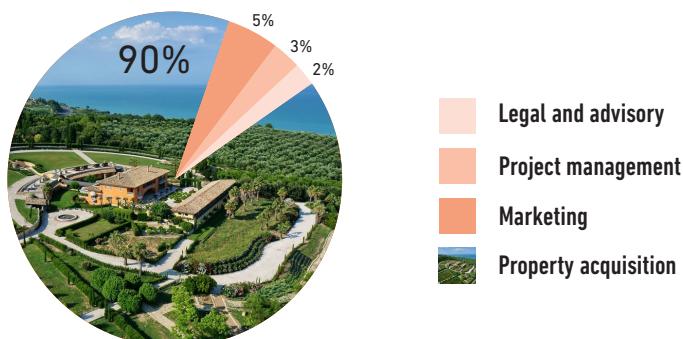
XII.3 Important dates



XIII. Financial information

XIII.1 Proceeds allocation

Each and every asset tokenization will include some fees for project management; however, we feel that this percentage will decrease in the future.



XIII.2 Discounts will not be available. Here's why.

One RETO will always equal one square centimetre – for everybody. Forever. We call it the 1:1 rule. Each owner will have possibility to receive a proof of ownership certificate, stating all the basic technical and financial characteristics of the building. Ownership certificate will be available upon request only.

XIII.3 Whitelist and token distribution stages

RETO tokens will be offered only for those registered on the whitelist, all investors will have to comply with KYC (Know Your Customer) regulations. The RETO token issuer is regulated by EU country laws (Lithuania), which means more safety for investors, but some additional rules will follow.

When expressed interest of demanded tokens reach the predetermined amount, we will offer potential investors to register on a whitelist list.

Token sales and the whitelist structure will be organised so that investors with very different amounts of capital will have the opportunity to participate. The stages will be as follows:

- I. **25% of property** Investors willing to invest the equivalent of EUR 30,000 or more
- II. **25% of property** Investors willing to invest the equivalent of EUR 10,000 – 30,000
- III. **25% of property** Investors willing to invest the equivalent of EUR 1,000 – 10,000
- IV. **25% of property** Investors willing to invest the equivalent of EUR 10 – 1,000

XIV. Team



TOMAS GRIGAS CEO and Co-Founder

For the last 13 years Tomas Grigas was involved in various real estate development and construction projects with overall responsibility on construction budget and time frame. Previous jobs in audit, corporate banking and management consulting areas give him very versatile experience very much needed when approaching ideas from different angles.



ANTANAS BIMBIRAS Co-Founder

Antanas Bimbiras has a generous experience in the sector of real estate, as he works there for over 13 years. The beginning of his career was at the company (Adema, Lithuania), focusing on the development of real estate projects. Starting as a manager, Antanas Bimbiras became the executive of project development and was directly involved in the development of every project from scratch. In 2006 Mr. Bimbiras started to supervise the team of 20 people as the deputy director of real estate development. In 2010-2013 he worked in catering industry. Amongst the achievements in this sector, Mr. Bimbiras contributed to the opening of 5 restaurants. However, in 2013 he decided to return to real estate sector and began to work at RE/MAX, one of the leading international players.



LAURA GAIGALIENĖ Marketing & PR

Marketing professional with more than 14 years experience in cinema business (Forum Cinemas) with classical marketing and digital marketing skills. With smart creativeness and innovative thinking Laura Gaigalienė contributed to good and every year growing company's results. Always curious in new things, enjoying life and will definitely help to create something special for you, guys!



MANTAS ENDRIKAITIS Community Manager

Mantas Endrikaitis found an interest in blockchain since 2016. Has deep knowledge about blockchain and its ecosystem. Active in community channels and has great understanding how to manage it. Perfect communication skills.

XV. Advisors



KASTYTIS ŽUROMSKAS Advisor

Kastytis Žuromskas is CEO of Re/Max Lithuania, the largest real estate company in the country as worldwide. Young and ambitious real estate broker proved very quickly that his sharp mind, qualification and professionalism, as with the clients so with the colleagues, and perfect business knowledge, had significant influence to become the region manager. He will help to acquire real estate property anywhere in the world. Mr. Kastytis is also known as blockchain and cryptocurrency enthusiast.



AUDRIUS SAVICKAS Advisor

Audrius Savickas has more than 15 years of professional experience in marketing and business consulting. Previously he has worked as a managing director in some international advertising agencies, later as an outsourced marketing consultant for many FMCG and B2B businesses. Audrius Savickas was an active board member in FMCG company, developed and successfully sold to Coca Cola. He is known professional in marketing and communications, often seen as a speaker or jury member in various professional events.

XVI. Partnerships



As our project of real estate tokenization is about to give a chance everybody around the world through our unique platform to become a fractional owner of tokenized exceptional property in the most beautiful and desirable places in Europe (later we'll go wider around the world), the biggest and the fastest growing real estate franchise RE/MAX Lithuania will be our respective partner and backer. They will help us to find and valuate the best properties for our investors, owners and tenants.