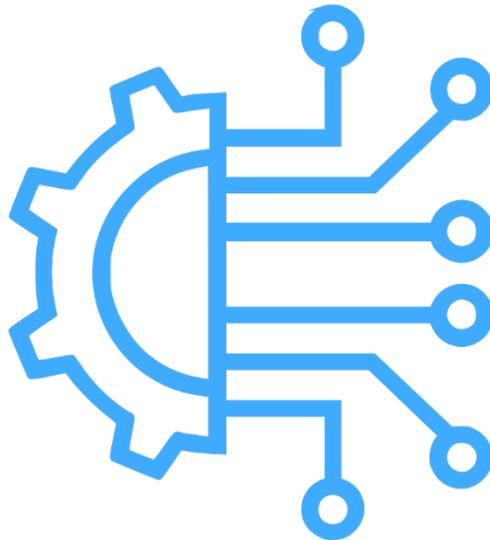


Block Estates



**The Intersection of Real Estate
& Blockchain Technology**

Light Paper November 2018

Introduction

Block Estates is a next generation blockchain powered real estate *investment* and *management* platform which will revolutionise and democratise investments in the real estate market plus provide streamlined and efficient real estate management and maintenance services. Investors will be able to use fiat and crypto currencies or other digital assets to either invest in tangible, high return real estate investments or to undertake asset management or maintenance tasks. The initial phase of the platform will be based on the Ethereum Blockchain Network and will utilise ERC20 compliant Smart Contracts.

Block Estates plans to develop the platform in 2-3 phases and roll it out over a 12-18 month period. Phase 1 will facilitate the real estate investment and trading functionality and its development is well advanced. Phase 2 and 3 development will follow soon after completion of phase 1.

Investment Services – Phase 1

The Block Estates strategy is to acquire real estate assets within selected markets around the world with the focus being on both income producing and development assets. The assets will then become tokenized investments. All investments made through the Block Estates Platform will be backed with Real Estate security located in developed markets with robust legal frameworks and therefore the tokens that will be issued will be known as security tokens.

Once acquired, the real estate assets will be improved through value add, repositioning and development programs and then divested. The income and profits derived from these assets will be distributed to token holders. These investments will be available via the Block Estates security token offering and ongoing offerings will be listed and accessible through the Platform.

The Block Estates business model and platform will be developed in accordance with applicable securities and corporate regulatory frameworks. Investors can thus participate confidently knowing they are investing in a legally compliant and secure platform.

Our goal is to give our clients direct access to investment opportunities in domestic and international markets, where they can utilise their funds in a secure, efficient and cost-effective way. All platform funds will be held in trustee managed escrow accounts and the movement of funds will be subject to approval and certification by independent trustees and auditors with all transactions being verified by and recorded in the Block Estates blockchain platform.

Block Estates is targeting investment returns of 15% - 25% per annum over and above token price appreciation. These returns will flow through the platform to token holders.

Management Services – Phase 2

Block Estates plans to introduce a suite of vertically integrated tokenized real estate asset services to enhance our service offering and position Block Estates to become a global leader in the Real Estate Blockchain market. The proposed services will provide new and increased revenue streams for the Block Estates platform and ultimately for token holders. Furthermore our target market will be greatly expanded and the Block Estates platform will facilitate a diverse range of services and functionality to this expanded market.

The management services will facilitate a diverse range of services which asset owners and managers perform via the Block Estates user dashboard to efficiently and effectively manage and maintain assets on a global basis.

Users will have to flexibility to initiate, monitor, manage and close contractual or one off arrangements between themselves any other part with all transactions being powered via through the Block Estate blockchain platform and smart contracts.

The services that will be facilitate through the asset management functionality include asset management, rental, tenant management, building maintenance, property transfers and financial services.

The Block Estates Difference

Block Estates aims to solve the challenges that international real estate investors, owners and managers face by creating a novel and unified service for safe real estate asset investment and management. We plan to do this by bringing together an innovative and blockchain powered real estate platform allowing investment and asset management with the freedom of cross-border transactions whilst being able to utilise fiat and crypto currencies plus other digital assets to facilitate transactions.

By leveraging our industry expertise together with the power of blockchain and a seamless integration of both domestic and international real estate plus fiat and digital currency markets, Block Estates' blockchain platform and associated smart contracts will provide a safe, secure and transparent venue for investors and asset managers who wish to diversify their investment opportunities and streamline their management systems by participating in the tokenization of real assets. The Block Estates Platform seeks to enhance the security of real estate transactions while reducing inefficiencies through the innovative use of blockchain technology.

Mission

Our mission is to provide token holders with a diversified, risk adjusted, and data-driven portfolio with exposure to both stable and income producing commercial and development real estate whilst maximising return on investment and continuously hedging against markets downturns.

Additionally, Block Estates aims to provide an innovative and unified blockchain platform allowing users to effectively and efficiently manage and maintain real estate assets on a global basis.

The Block Estates Platform provides token holders with a unique and tradeable investment enabling high return real estate investments and management while offering token holders an opportunity to participate in real estate assets and developments on a global basis. Investors benefit not only by earning interest and profits, but also by achieving capital growth on their token holdings.

Vision

The vision is to create a globally accessible alternative to traditional real estate investment and management platforms by allowing investors to access lucrative investments that may not be available through traditional channels and managers to manage and monitor assets via a transparent, safe and secure platform. The ability to access investments instantly and transact via fiat and digital currencies along with tokenization, will provide unprecedented opportunities for investors.

Block Estates plans to digitally tokenize global real estate investment opportunities plus the management of assets, providing investors access to unparalleled cross border investments plus management and maintenance services with simple and streamlined entry, exit, initiation, monitoring and transaction closing abilities.

Investment Model

Block Estates seeks to offer real estate investments that have high rates of return, while providing a unique opportunity for investors wanting to access to highly appreciating cryptocurrency and real estate investments.

We don't intend to operate a fund model like all the other providers out there. The fund model doesn't provide investors with any security because usually the assets are held in different entities to the fund. Furthermore, investors are just asked to contribute capital to a fund that has no control over the assets.

Block Estates on the other hand will operate an asset ownership model where all the platform real estate is directly owned by the investors (or token holders). Each asset will be divided into a number of tokens. Investors can then purchase as many or as little tokens as they choose and enjoy the security of both real estate and smart contracts. All income, value appreciation or profit derived from the real estate assets will flow directly to the token holders (investors).

Investing in Block Estates tokens will provide investors with:

- The benefits of appreciating token values
- Stable income streams
- A share of capital growth/profit which is realised at the time of the underlying asset divestment.

Investors will also have the opportunity to diversify their investment portfolios by spreading their capital across different locations and asset classes. This can all be done directly from the Block Estates platform which provides legally compliant exposure to global real estate investments, whilst bypassing high cost intermediaries.

Block Estates' tokenization approach to real estate lowers operating costs, reduces entry fees/barriers for investors, and removes the "illiquidity barrier" that keeps investors' equity locked up for years. The Block Estate Platform will provide premium global real estate investment opportunities. Furthermore, Block Estates Tokens (BLEST) will be listed on leading exchanges in order to provide liquidity and trading abilities for token holders.

The Block Estates platform will offer investors full transparency whilst providing a suite of tools allowing monitoring and portfolio audit features with relevant investment data and snapshots.

Management Model

Block Estates will facilitate a diverse range of real estate management and maintenance services through our blockchain platform. The services will cover a comprehensive list of services that are required for the ongoing upkeep and performance of assets.

Currently management and maintenance systems are extremely fragmented, and no standard global system exists. Block Estates intends to provide a central point of access to manage and maintain assets however one where transactions are executed in a decentralised fashion. This will be made possible through a blockchain platform which will facilitate the decentralised transactions with the benefits of security and transparency yet with the added innovation that is proposed by Block Estates.

The management functionality allows users to initiate a task via their Block Estates dashboard, the requested task will then be sent to the appropriate provider. A smart contract with the relevant characteristics will be created once a task has been initiated and accepted. Once the task has been completed the smart contract will execute to close the transaction and then transfer tokens from the user to the provider. The functionality will allow users to set the required parameters for each transaction.

Block Estates Token (BLEST)

Block Estates plans to issue BLES Tokens (BLEST) to raise the capital required to execute the business model. BLES Tokens will be issued as security tokens and will be similar to land ownership certificates of title or share certificates as they will represent ownership of an underlying asset or real world value. When a BLES Token has been issued it will be linked to through the blockchain to a real-world asset which will be verifiable through the use of Ricardian contract technology. Therefore, investors that purchase BLES Tokens will have the security of ownership of the underlying real estate. BLES Tokens smart contracts will be ERC20 complaint.

Block Estates has secured real estate for the foundational portfolio and therefore all proceeds from the token sale will be utilised to complete the acquisition of these assets. The assets will then become tokenised investments on the Block Estates platform, allowing investors to capitalise on booming real estate markets, while achieving investment diversification, plus income streams and profit from a less volatile and more secure asset class whilst hedging their fiat or digital holdings at the same time. Additionally token holders have the option of exiting investments through sale on secondary markets, trading on securities exchanges, buybacks or exchanging with fiat and crypto currencies or other digital assets.

Block Estates Management Token (BEMT)

Block Estates Management Tokens (BEMT) will be issued and utilised for management transactions. Users can create digital wallets within their user dashboards and then purchase and hold BEMT's within these wallets.

Once a management or maintenance transaction is initiated a smart contract is then created. As a first step the smart contract debits BEMT's from the user's wallet equal to the value of the transaction cost. The BEMT's are held in escrow until the transaction has been completed and then sent to the provider.

BEMT's will be used as the main transaction currency for management and maintenance services on the Block Estates platform. BEMT's can be exchanged for BLEST's or any other fiat or digital currency that is supported by the Block Estates platform.

BLES & BEM Tokens can be purchased from the Block Estate user dashboard.

Smart Contracts

The Block Estates' Platform is powered by Smart Contracts and when a transaction is undertaken, several of the Block Estates' Smart Contracts execute a range of processes including verification and security checks plus secure and record the transaction in an immutable distributed ledger.

The following are some of the benefits of using smart contracts:



1

Autonomy

You're the one making the agreement, there's no need to rely on a broker or lawyer



2

Trust

Your documents are encrypted on a shared ledger



3

Backup

On the blockchain your documents are duplicated many times over



4

Savings

Smart contracts save your money since they knock out the presence of an intermediary



5

Accuracy

Smart contracts are not only faster and cheaper but also avoid the errors that come from manually filling out heaps of forms

Platform Benefits

Investment & BLES Token

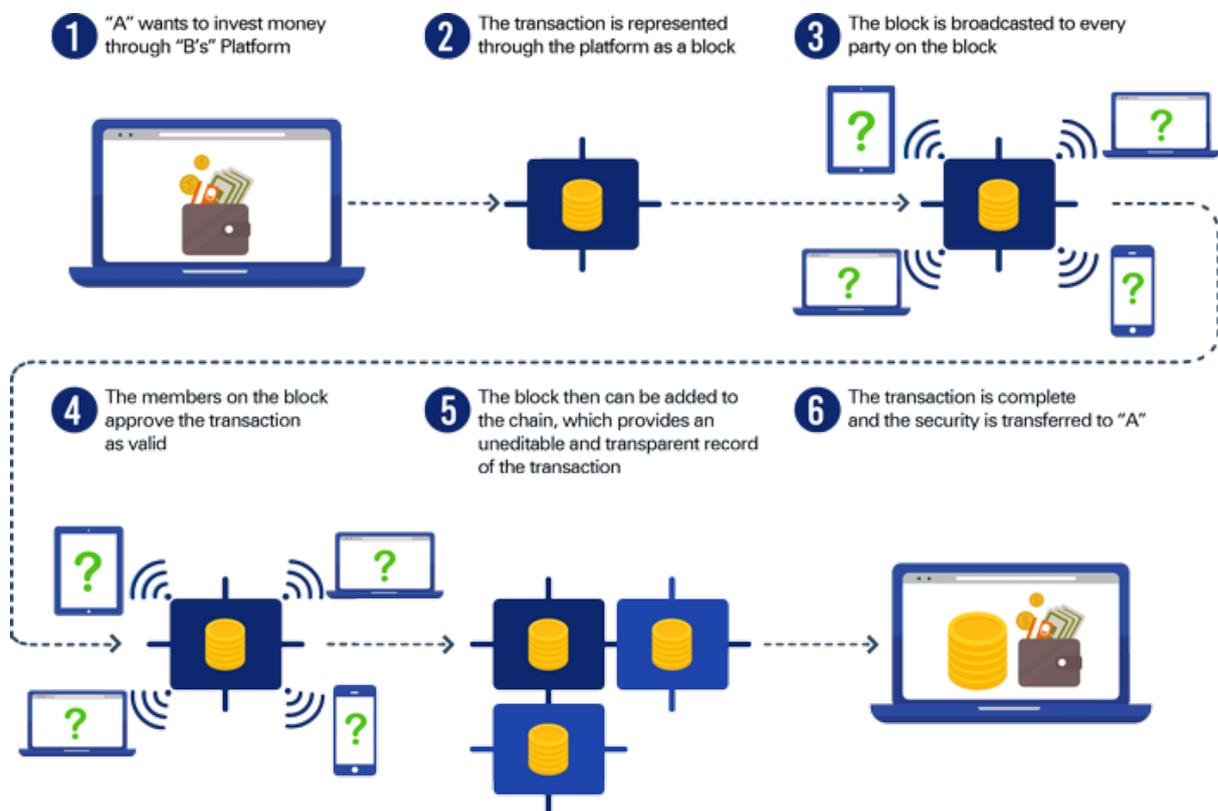
- Access to Global Real Estate Investment Opportunities
- Low entry barrier for all investments
- Streamlined and simple to use user interface allowing seamless access to all services.
- All transactions are secured via smart contracts.
- BLES Tokens are asset backed.
- Secure investment due to tamper proof registration of ownership which is recorded on large amounts of computers and databases across the globe (including the investor's computer)
- Benefits of investment portfolio diversification
- Benefits of high return opportunities
- Rights to income, profits and asset value appreciation
- Potential exponential value appreciation of BLES Tokens.
- Security of underlying real estate asset ownership.
- Lower entry costs due to middlemen/brokers being removed from the equation

Management & BEM Token

- Comprehensive suite of asset management functionality
- Management services functionality will facilitate rental and tenant management, maintenance scheduling and programming, financial and conveyancing capabilities.
- BEM Token value is based on the value of the underlying job or service.
- BEM Tokens automatically transfer once the underlying task has been completed and verified.
- Management services are cost effective as all transactions are conducted between the user and provider.
- Management services are secured via smart contracts.
- Streamlined and simple to use user interface allowing seamless access to all services.
- All transactions are recorded in the immutable distributed ledger.
- Users have the ability to initiate, monitor and close tasks via the dashboard. Historical transaction and asset performance is also viewable from within the dashboard.

How it Works

Block Estates is building its platform based on blockchain technology due to its decentralised nature and distributed ledger characteristics. Because all transactions are recorded within this distributed ledger it makes them fully traceable and virtually impervious to tampering. This decentralised ledger, or blockchain, is synchronised within a given network via the internet, making all transactions visible to anyone within the network. Blockchain networks can have restricted membership or be open to the public.



Transaction on Blockchain Flow

The Block Estates Platform

Phase 1 of the Block Estates Platform will be initially launched to facilitate the investment functionality. Phase 2 will be launched at a later stage. When phase 1 will go live with a pre-secured portfolio of real estate assets. The capital expenditure for the proposed development of the initial portfolio will be funded through the capital raised from the issue of security token.

Block Estates plans to list new deals on its platform which will provide investors with access to further global real estate investments. The Investments will be located in cities with booming property markets, such as New York, Los Angeles, Las Vegas, London, Singapore, Sydney and more.

Investors will just need to sign up to an account through the Block Estates website. Following sign up, investors will be able to login to their account to view all investment opportunities and invest. Investors will also be able to monitor their investments plus trade in Block Estates tokens from within their account. The functionality is simple and straight forward with all features accessible via the account dashboard.

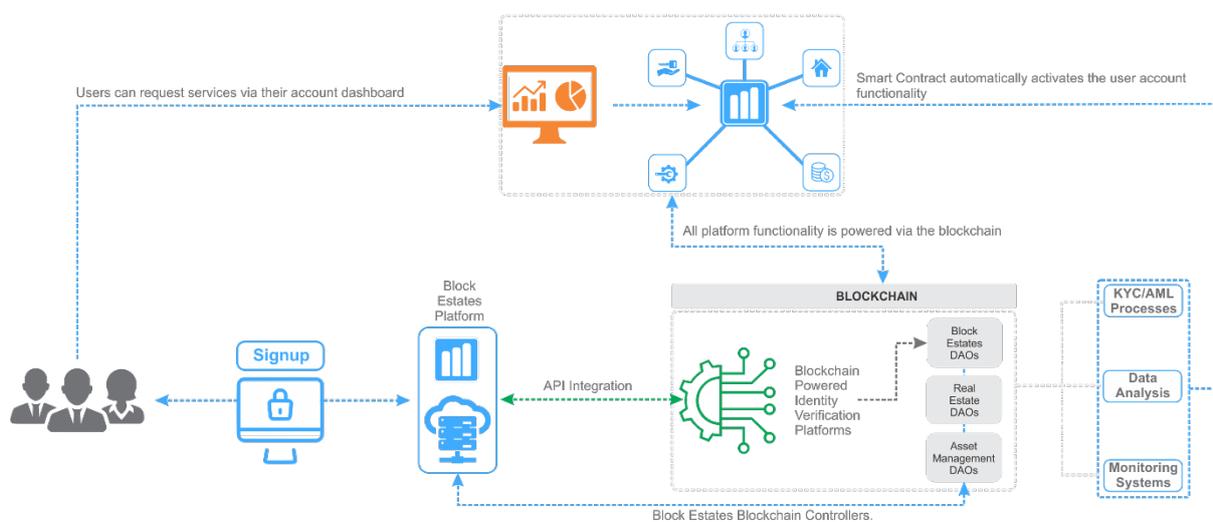
Furthermore, Block Estates investments using smart contract technology will entitle investors to regular income streams, profit sharing from each investment and any value increase in the tokens.

Smart contracts will be written in Solidity programming language and will run on the Ethereum VM. Up to 90% of platform profits will be distributed to investors regular basis and in accordance with the asset development programs.

Phase 2 will bring in the expanded platform functionality to provide users with a diverse range of real estate management services including rental and tenant management, maintenance scheduling, conveyancing and financial capabilities.

The management functionality will allow users to tokenized a broad spectrum of management services and then run these through the Block Estates blockchain platform. All services will be executed via smart contracts with payment being made with Block Estates Management Tokens (BEMT's).

All management services will be accessible and can be initiated through the Block Estates user dashboard. Users can also monitor progress and view transaction history from the dashboard.



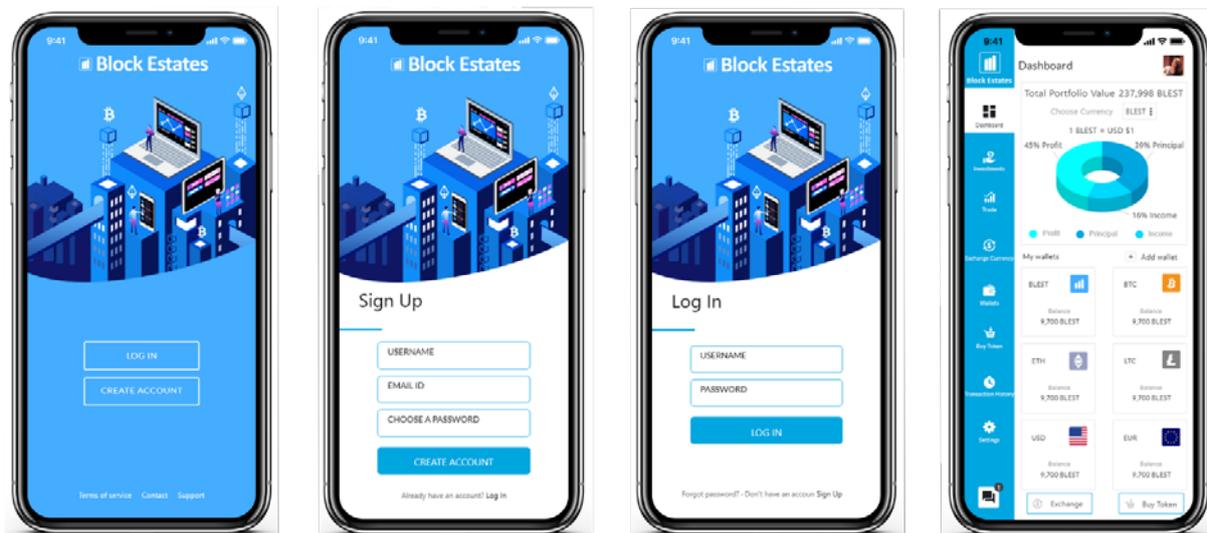
The Block Estates Platform Graphic

The Block Estates App

Investors can manage their accounts, make investments, undertake research and monitor their activity through the Block Estates platform via an iOS or Android app, or a web browser. The Block Estates app and web site connects investors to the blockchain by utilising smart contracts running on the Ethereum VM.

Every Block Estates account provides users with a digital wallet, which can be managed from within their Block Estates dashboard. The wallets allow users to hold, exchange and trade different types of fiat and digital currencies.

From with the dashboard, investors can view their investments plus the status of any other active service, the number of tokens they hold and the assets that the tokens relate to, investment values, portfolio and asset management performance and capital growth. Investors and asset managers will also have the ability to access new investment opportunities and initiate new management jobs plus undertake research on existing and new investments and assets. All information pertaining to investments, asset management, tokens, and the value they carry is recorded in the immutable ledger on the blockchain.



The Block Estates Platform will be accessible from a desktop web browser or a mobile app downloadable from the Apple or Google stores. Block Estates platform will be user friendly and seamless, making investment opportunities on our platform easily accessible. The account and dashboard user interfaces are cleverly designed and developed with simple to understand and use functionality, providing seamless and 1-2 step transaction processes.

The Block Estates Platform is also highly secure and offers bank level security. Block Estates and its partners will not collect any user information other than what is legally required to execute investments. Furthermore, Block Estates does not transfer or sell any data to third parties such as technology, real estate, financial, and/or advisory organisations. Users will be informed of any changes to our privacy policy or user agreements as soon as they become available. Block Estates takes security and privacy very seriously and it is of paramount importance for users to be able to feel confident that their information and investments are fully protected at all times.

The Block Estates Platform will comply with the relevant regulations