



*White Paper for X Real Estate Development (XRED)*

*Version 1.0.0*

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# Abstract

The development of blockchain technologies is still at the very beginning of its path and it is growing exponentially. It is already clear that this approach will change the way we operate in all walks of life. Many areas of the economic ecosystem can use blockchain technology to reduce the cost of goods and services, to increase the speed of delivery and for unsurpassed protection of personal data. The real estate market is an integral part of people's lives and the introduction of blockchain technology into this sphere of life will take society many steps ahead to allow them to adopt a new level of existence by, alleviating tax inefficiencies, applying secure Blockchain Technologies to a completely new and revolutionary concept in Real Estate.

The real estate and construction market is a fundamental for many other sectors of the economy. The real estate in large cities is an investment tool. The profit from the construction of new developments within a good location can be a multiple of the cost of construction costs. As an instrument for investing monetary assets, investing in real estate is often one of the foundations for the formation of a management portfolio.

At the same time investing in real estate is a long-term way of making a profit. Blockchain technology can change this through allowing quick entry and exit from different portfolios of real estate and allow you to make profit anywhere in the world. Modern tools of telecommunications and information technology will make transactions in the real estate market on the other side of the world without having to leave your home or workplace.

The mechanics of crowdfunding, built upon the technology of blockchain, allows you to quickly find financing for "hot" projects, whilst protecting investors from risks and allows you to participate in the operational activities of companies that are involved in construction of real estate. The properties we are specifically looking for are "off market" and with the help of our retained Land Agent we will be able to source, assess and deliver completed projects with our skills and know how.

## **'Initial Coin Offering (ICO)'**

When a cryptocurrency start up, like XRED Foundation, wants to raise money through an

Initial Coin Offering (ICO), it creates a basic summary plan on a white paper which states the project's objectives, what the project needs and what the project will deliver on completion, how much funding is required to undertake the venture, how many virtual tokens the founders of the project will keep for themselves, what type of money albeit cryptocurrency or fiat currency is accepted, and how long the ICO campaign will run for. During the ICO campaign, founders and supporters of the XRED initiative purchase the distributed cryptocurrencies with fiat or virtual currency. These coins are referred to as tokens and are not unlike shares of a company sold to investors in an Initial Public Offering (IPO) transaction. If the money raised does not meet the minimum funds required by XRED, the money is returned to the backers and the ICO is deemed to be unsuccessful. If the funds requirements are met within the specified timeframe the money raised is used to initiate the new project. Early investors in the project are motivated to buy the tokens in the hope that the plan becomes successful after it launches which could translate to a higher cryptocurrency value than what they purchased it for before the project was initiated, hence gaining profit.

## Project description

The "X Real Estate Development" project (hereafter XRED) aims to develop a technological and organisational model for the real estate and construction market based on blockchain technology. XRED technologies will allow interested parties to enter into projects for the construction of new real estate projects with high speed and unsurpassed security. The technological solution of the XRED project will allow removing unnecessary chains of links in real estate transactions, which will have a significant impact on the final value of transactions.

XRED technologies will allow investors to enter into real estate transactions at all levels of financial security, thus everyone can invest any amount of money in the purchase and construction of the development regardless of its location.

Any real estate construction projects will be able to safely attract investments from project participants, and the participants themselves will be able to safely invest in such high-risk transactions. The platform will have the opportunity to protect the interests of the investor through various mechanisms. For example, through the mechanism of allocation of funds for purchase and construction after receiving supporting documents on the implementation of the first stage of the deal. Thus, financing, spending of funds, distribution of profits will be visible to all participants of the fund. The blockchain technology allows you to work honestly and openly even with medium to high-risk transactions.

The list of those who will benefit from this great project includes but is not limited to investors, builders, and real estate agents.

The XRED project is divided into three phases of formation:

- Ensuring the collection of funds for the financing of construction projects;
- Provision of voting for the participation of investors in the operating activities of the fund;
- Improvement of the technology of predictions of profits when entering into a particular transaction based on machine learning technologies;

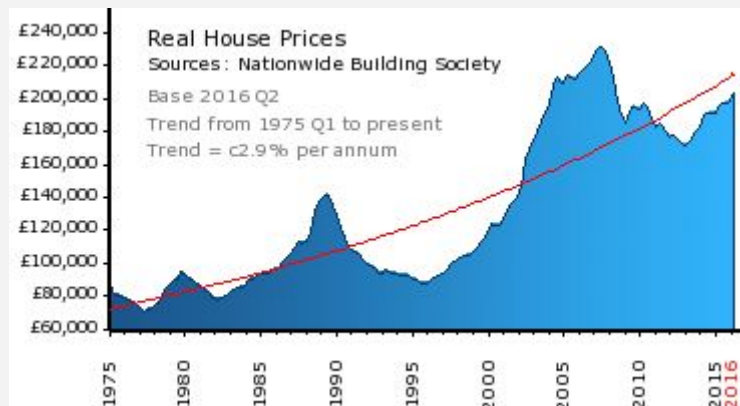
## **Project business model**

The XRED Foundation plans to raise funds for investing in the construction of real estate and profit will be realised through the withdrawal from such projects at the point of sale. The business model is described in more detail in the relevant document. The first stage for investment will be selected projects located in the UK, in particular Central London. Furthermore, the XRED Foundation plans to expand to other countries (a preliminary list of countries, with the prepared agency agreements can be seen below)

### **UK Housing Supply**

In the post war period, construction of local government housing increased supply. Home builds reached over 400,000 a year in the late 1960s. However, from the 1980s, the

government retreated from building houses, leaving it to the private sector and a small contribution from housing associations. Due to strict planning legislation, the supply of housing has failed to meet government targets. We believe the housing market is grossly underfunded, yet property out performs every other asset class in the medium to long term. For this reason and coupled with the fact that the banking sector have no appetite for investment in property development ventures, there is a real opportunity for Cryptocurrency with blockchain technology to fill this void.



# Technical and organizational part of the project

The basis of the technical solution is that XRED will be built on the basis of Ethereum blockchain technology smart contracts. Investors will be provided with tokens in return for raised funds at the stages of pre-sale and ICO. The tokens themselves can be exchanged in a free market when they are listed on the exchange. Holders of tokens can count on making a profit from investing in XRED Foundation in the construction of various developments. Important information for the holders of the tokens will be sent out on the channels available and indicated in the holder's profile. Anyone can use the information on

the site to make a choice about entering or leaving the fund. The software solution XRED-wallet will make an operation of investing in the fund, making a profit from investing, viewing all the necessary information for making decisions in a safe mode and without using the services of intermediaries.

The organizational structure of XRED will consist of subsidiary legal entities registered in countries where real estate services will be provided on behalf of beneficiaries (the initial stage involves participation in projects located in the UK). The legal entity will own the rights to the real estate and distribute profits between the participants of the fund, after the completion of construction or exit from the transaction. The XRED Foundation and its subsidiaries will be registered in a statutory manner, which guarantees the transparency of all transactions and the provision of all necessary documents for investors.

## Use cases

Consider only a few basic examples of the use of XRED project technologies.

### **1. Investing in real estate construction.**

The beneficiary buys XRED tokens on the open market, so he/she will be an investor who claims to profit from the fund. The fund or agent XRED (legal entity in the respective country) structures the transaction by purchasing and financing the construction of the project and registers the property rights for this agent. After the construction of the development and its sale, the profit received from the transaction is shared between the participants of the fund.

### **2. Investing in XRED tokens.**

The beneficiary buys XRED tokens during the pre-sale period, ICO, expecting the price of the tokens to increase, then trades on the free market and secures the profit.

## Profit distribution model

The distribution of dividends is the main problem for any company that uses the founding

process through attracting outside capital. The XRED Foundation solved this problem by creating an automatic profit sharing system between the participants on the basis of Ethereum smart contracts ERC20 standard. The founders of the XRED Foundation reserve **25%** of the profits, while **75%** of the profits are automatically distributed, in Ethereum, among the participants through the smart contracts mechanism.

# Structure of ICO and pre-sale of tokens

The XRED Foundation is raising funds for launching the platform and financing the primary fund. The funds are planned to be used to create the technical development of the project and the organizational requirements (registration of legal entities in countries where XRED services will be provided), remuneration of employees and subsidiaries. To raise funds, XRED will issue XRED tokens, which are smart contracts based on Ethereum (see glossary). The XRED Foundation will ensure that the funds collected and disposed of are collected as and when needed. The XRED Foundation is a registered company that is subject to audit by our retained Chartered Accountant, which guarantees the transparency of its operations and the safety of the storage of funds.

**Token name** - share smart contract XRED. The Token gives the right to vote for changing the rules of the XRED Foundation, in proportion to the share of ownership. And also allows you to profit from the activities of the fund, in proportion to the number of tokens.

The initial number of tokens is set at **65 000 000**. The final number of tokens is not established, since it may be necessary to issue tokens before the end of the placement and / or the destruction of the unsold balance upon its completion.

The start rate of one token is set at **\$1 (USD)**.

Pre-sale is available to a limited number of individuals before **October 16, 2017** and is limited to the amount of funds raised.

The timing of the ICO will be agreed upon after the preliminary sale, but in no later than

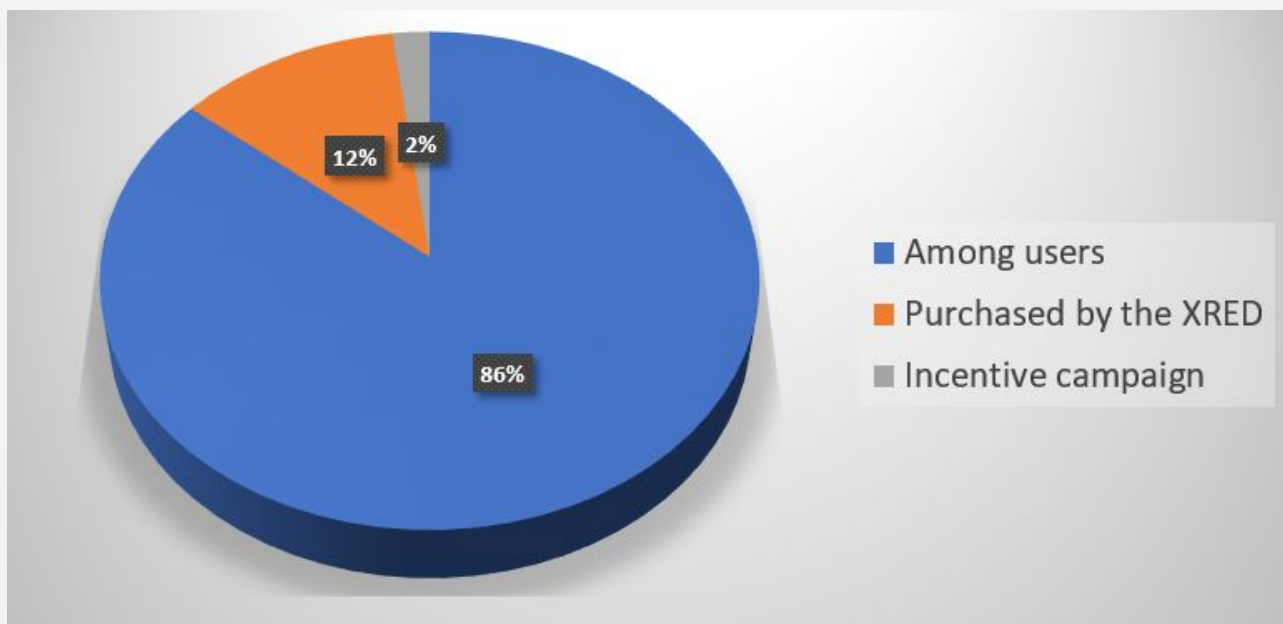


three months time. The period of the ICO is to last for one month and two weeks.

Please be advised that our Pre-sale is Cliff/Vested and that means all tokens purchased in this period cannot be transferred for a period of 3 months (Cliff Period) Then the Vested period up to 6 months,. After the Vested period the full amount of tokens can be transferred. Cliff/Vested terms will also be applied to XRED Team token shares.

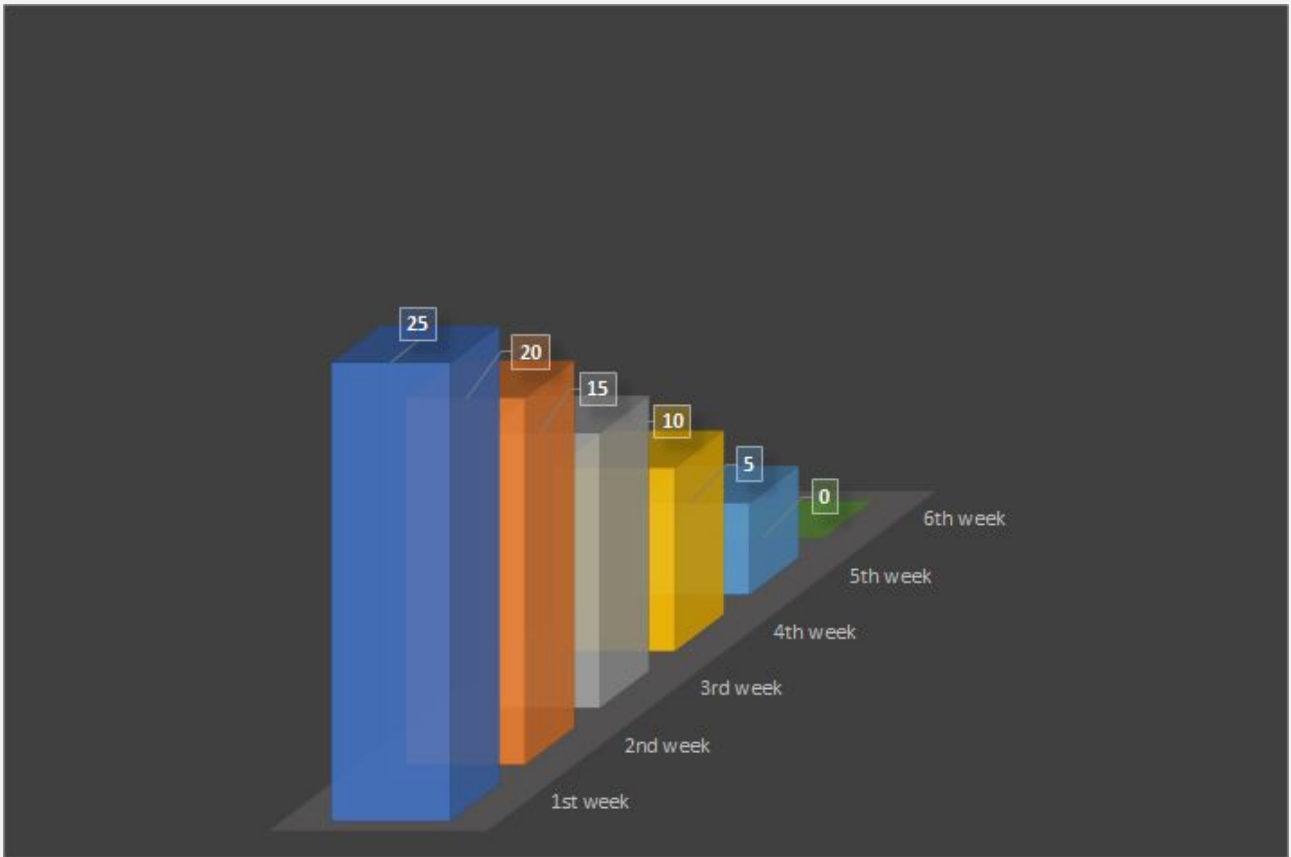
## Token distribution

- Among users: 86%;
- Purchased by the fund XRED: 12%;
- Incentive campaign: 2%;



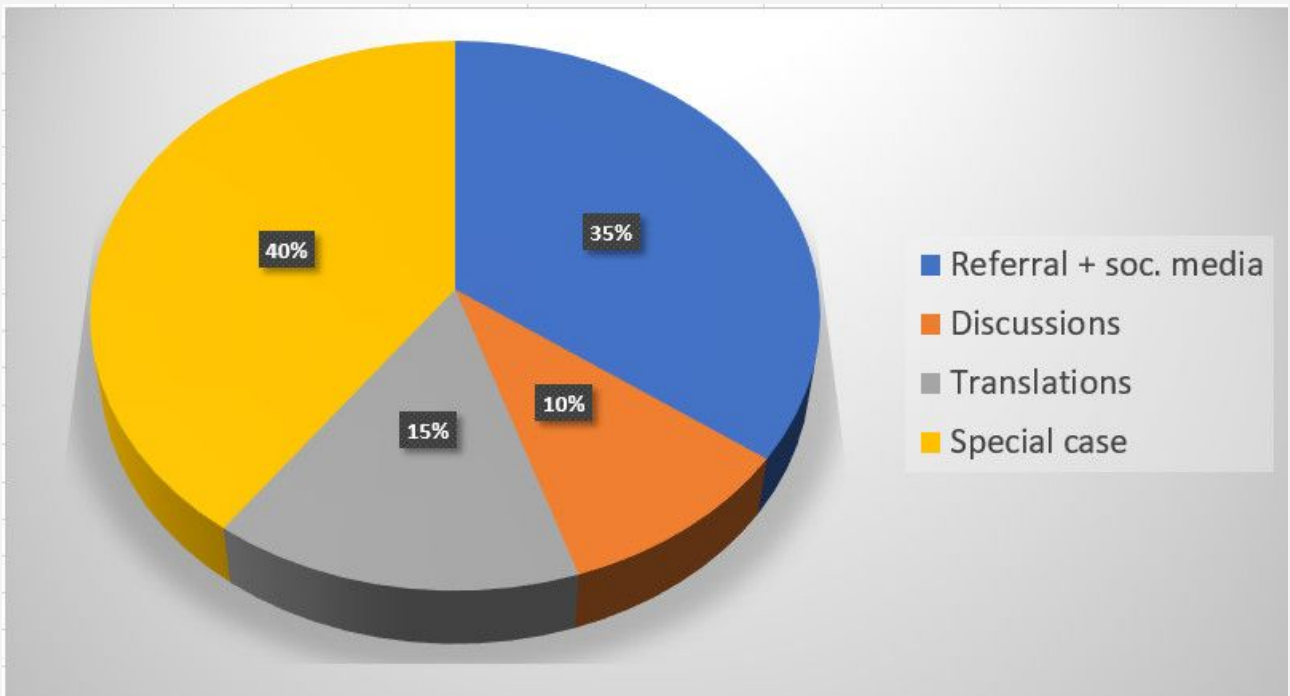
## Bonuses on purchase of Tokens

- Pre-sale period: + 40% of bonus tokens;
- 1st week: + 25% of bonus tokens;
- 2nd week: + 20% of bonus tokens;
- 3rd week: + 15% of bonus tokens;
- 4rd week: + 10% of bonus tokens;
- 5th week: + 5% of bonus tokens;
- 6th week: 0% of bonus tokens.



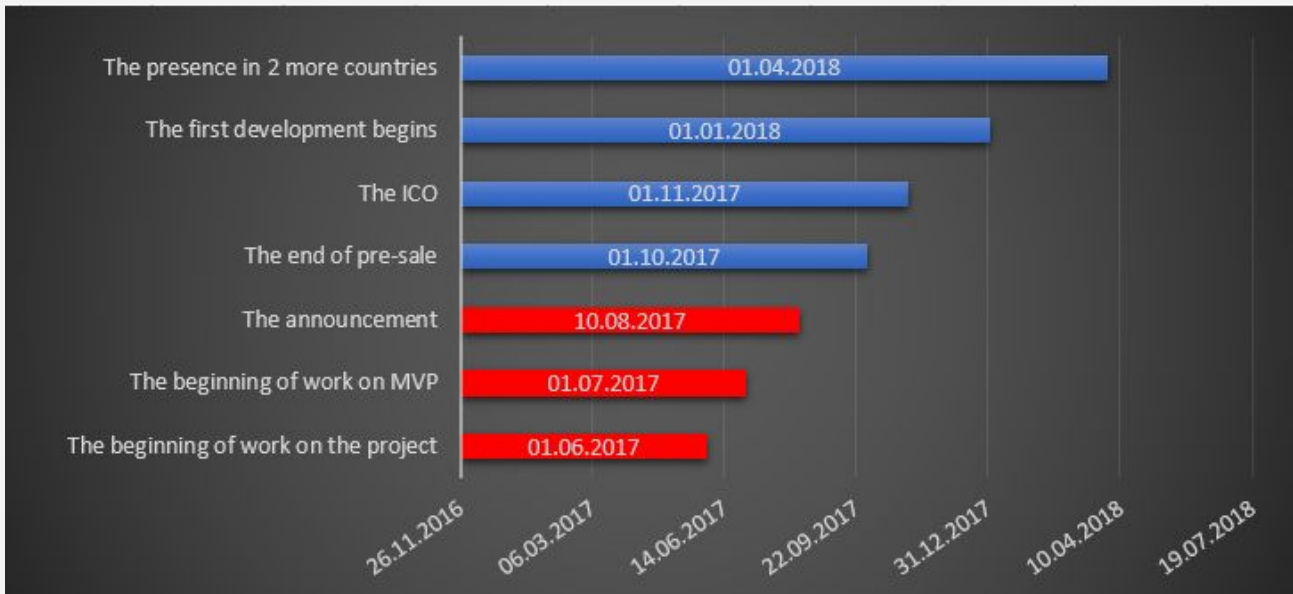
## “Bounty” program

- Social media and referral program: **35%** of the total remuneration;
- XRED Foundation support in online discussions: **10%** of the total remuneration;
- Translations to other languages on Bitcointalk: **15%** of the total remuneration;
- For special support: **40%** of the total remuneration;



# Project roadmap

- June 1 - beginning of work on the project, development of the idea and possibility of implementation
- July 1 - beginning of work on MVP (the minimum working version of the product)
- August 10 - announcement, preparation for pre-sale and ICO
- October 16 - end of the pre-sale
- November 1 - ICO
- 1st quarter of 2018 - fund's participation in the first development begins.
- 4th quarter of 2018 - established presence in 2 more countries.



List of countries where it is planned to establish subsidiaries:

- UK
- Germany
- Romania
- Russia
- Spain
- Bulgaria
- Slovakia
- Poland
- United Arab Emirates
- Uruguay
- Philippines
- Chile
- Ecuador
- Japan

The list will be adjusted depending on legal aspects and market conditions.

# Team

The core team of XRED possesses a cumulative experience of many decades in the field of real estate, construction, and technology. Key team members are presented below.

When developing technical functionality, it is planned to hire a core group of experienced developers. When solving organizational, legal and other issues, it is planned to hire highly qualified specialists in the required fields, which will not be the core of the XRED project team.

## **Kevin Hollands**

An established property developer in real estate and construction. CEO of KGH Construction Ltd. He is the founder of the XRED Foundation and has more than 30 years of practical experience, an excellent track record in managing projects for the construction and conversion of real estate in London and the UK, having recently converted high-end luxury apartments and houses in Marylebone, Pimlico, Covent Garden and Mayfair. Work varies from new build and commercial to residential conversions including business contracts and refurbishments. Kevin manages all aspects of investing in real estate projects, including the strategic management of companies working in the construction industry. Kevin will put part of his personal residential portfolio, totalling 12 apartments, into the XRED fund, generating a gross income of \$100,000 PA. This will ensure that the XRED fund starts with an income.

## **Konstantin Viktorov**

Leading developer of the technical aspects of the XRED project. More than 12 years in the field of information technology. Created from scratch or participated in projects for large companies such as Aeroflot, TELE2, Velcom, Upwork, Toptal, etc. He has experience in building from scratch high-load real-time systems, the experience of creating software in different programming languages for different spheres of human activity. He holds a bachelor's degree in physics of magnetic phenomena.

## **John Llewelyn**

Property Lawyer/Consultant

A highly experienced, results orientated property lawyer with over 20 years in practice. John has a proven track record of providing exemplary levels of service and expertise, specialising in highly technical property transactions. Having partner level experience in private practice as well as board level experience in property companies, he brings great understanding of the property business world and has been a trusted advisor, providing solid advice in the area for many years.

## Richard Barnes

Chartered Quantity Surveyor & Building Cost Consultant.

Richard has been practising for over 20 years working in Commercial, Residential, Retail and Leisure Sectors. Regulated by the Royal Institute of Chartered Surveyors. Richard will carry out initial feasibility studies, give construction cost advice, prepare bills of quantities, cost plans and budget costings. He will also advise on specification and control tenders for works and contract advice and will also be actively involved with project management.

# Regulatory and regulatory documents

Considering the need to process personal data, here is an approximate but incomplete list of standards, regulations and laws that need to be followed:

1. [ISO/IEC 27000 family of standards](#) – define the requirements for the storage, processing and transmission of personal identification information;
2. [GDPR](#) – the basic data processing requirements (General Data Processing Regulation, GDPR) define the basic principles of working with personal information;
3. Laws [AML/CFT](#) – the list of legislative requirements for a set of measures to prevent the laundering of proceeds from crime and measures to counter the financing of terrorism.

Most of these laws, requirements and directives apply only to the European Union. In this case, the basic rules for other jurisdictions can be drawn from this list.

# Conclusion

The XRED Foundation seeks to create an ecosystem for investors, builders, real estate agents, which will enable them to capitalise on profits in construction projects regardless of the amount of capital investment. Technologies developed in the fund will allow us to make a revolution in the real estate market in different countries. The world is changing rapidly and new challenges of modern life require all adjustments of centuries-old foundations. Together with the XRED Foundation, anyone can participate in the creation of a new economic history. Through the voting mechanism among holders of XRED tokens, anyone can influence the decisions made in the fund.

# Glossary

**The XRED Foundation** - is an organization founded in 2017 in the UK. The main objective of the fund is the development and implementation of projects that form or are connected with the infrastructure of the XRED project, its technical and organizational parts;

**Token XRED** - is a smart contract that gives the right to interact with the platform, the right to vote, etc. The Token is written in the Solidity programming language.

**Protection of personal information** - a set of measures and solutions for processing and storing data related to identity, as well as anonymous and pseudonymous information. Classification, storage, analysis, processing and accessibility of these data will comply with the directives of the European Commission, including the "General Data Protection Regulation (GDP)" and others.