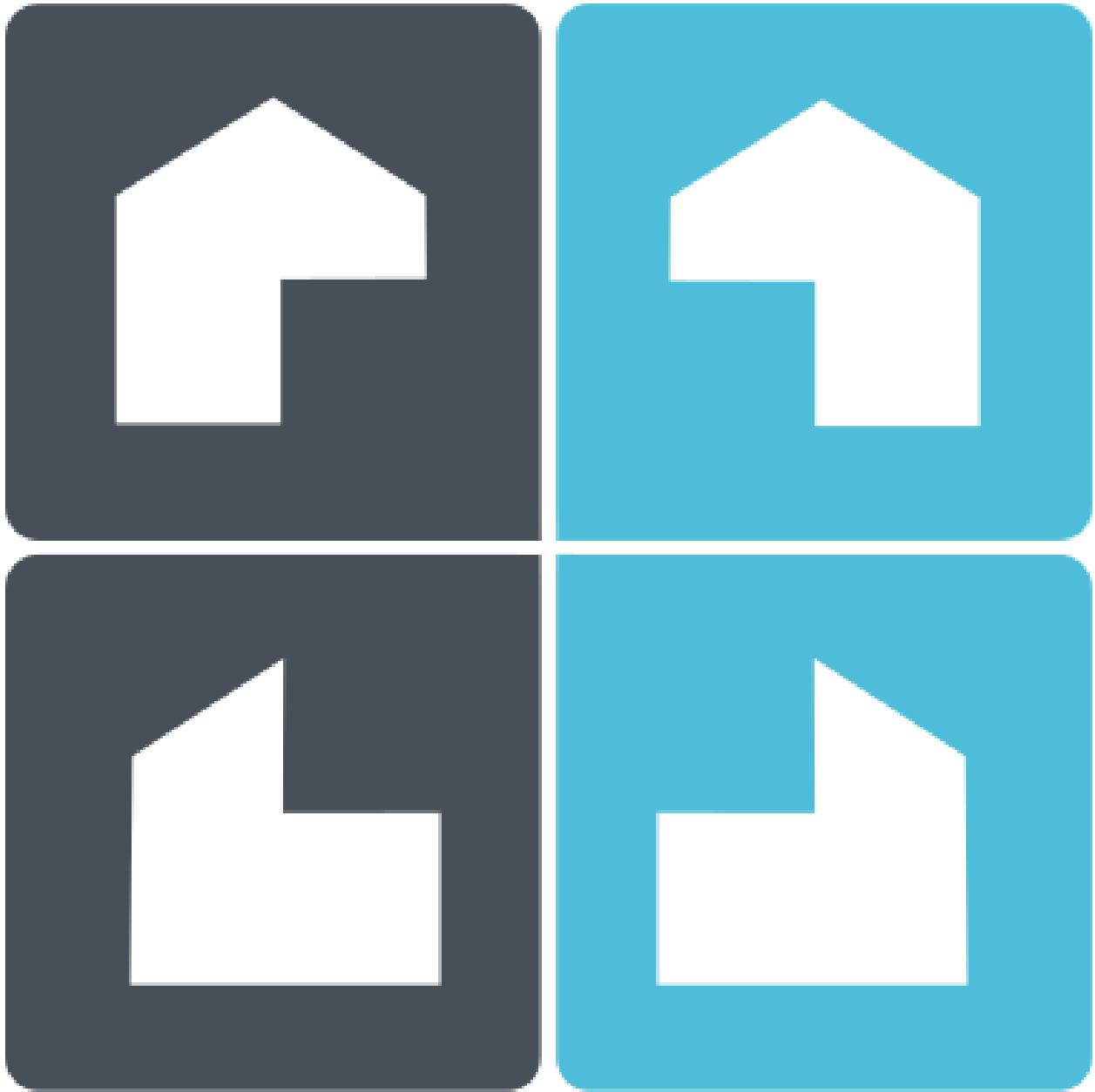

notarynodes Documentation

Release 0.1

Bloqhouse

Aug 08, 2017

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BLOQHOUSE

Bloqhouse applies **blockchain** technology to real asset investment funds. For the pilot a closed-end real estate investment fund will be tokenized. We partner with key players in the Ethereum ecosystem to rely on state-of-the-art secure

technology. Our partnership with DLA Piper, a global law firm, ensures we cover regulatory compliance. A regulated investment fund manager will be responsible for ‘off-chain’ management of the tokenized fund.

Note: This is a work *in progress* and subject to changes.

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Tokenized investment funds

The first tokenized assets (BLT) will be real estate investment funds managed by AIFMd registered Alternative Investment Fund Managers. For every legal entity (a fund) holding one or more real estate objects an ERC20 dividend-bearing BloqToken is deployed to Ethereum. Bloqtokens are digital representations of partial economic fund ownership. Their digital representation enables investor to exchange them with others fully peer-to-peer.

The real estate object(s) owned by the fund are rented to one or more tenants. As a Bloqtoken owner you're entitled to the economic benefits realized by the entity. The direct profit is equal to the rent minus management costs. On the secondary market Bloqs can be traded peer-to-peer, Bloqholders can make an indirect profit from value appreciation of the underlying assets (real estate). Bloq value is determined by demand and supply.

Characteristics of a Bloq:

- It's a digital representation of a (partial) economic ownership certificate
- Bloqs entitle holders to the profits (rental income) being made, it doesn't include the power to vote about day-to-day operations
- Bloqholders are not liable for potential losses
- Bloqs are fungible
- Bloqs can be traded directly peer-to-peer without notary approval
- Bloqholders are anonymous to the public, only the fund manager has access to the identity information behind public keys

Regulation

Real estate transactions are regulated, as is trading in financial instruments. We involve **regulators** from the beginning to design solutions **collaboratively**. Relevant regulators and institutions are the Financial Markets Authority (AFM), Tax department, Dutch bank (DNB) and European central bank (ECB).

BLT Smart contract

The BloqToken smart contract inherits the **ERC20** token standard contract. The ERC20 standard transfer and transferFrom functions are extended with modifiers that check against if additional conditions are met to ensure regulatory compliance. These include a whitelisting check (for know-your-customer regulation). For whitelisting the contract relies on oracles / identity service providers.

The token contract is owned & deployed by the Investment fund manager. It's the fund manager who has authority in case of forks, protocol or contract bugs.

Investment documentation

Investment documents, such as the prospectus, will be stored on IPFS. A link to the IPFS path is stored within the BloqToken contract.

Getting started

Bloqtokens are deployed to Rinkeby testnet for testing purposes. Soon the underlying code will be made available open source on Github.

- Property 1 - 0xD91d5C54f929366d79F282510062E0811fA5600F
- Property 2 - 0x67a87D372f450776Af4D76E0D09374e012012011
- Property 3 - 0x2d9b07C7D2cfFe7A99ED757acE95e8C7eB0CE093

Contact hello@bloq.house for more information.

Bloqathon

Bloqhouse plans to organize a Bloqathon together with the Blockchain Real Estate Association to kick-start further development on top of the **open** Bloqtoken ecosystem.

Note: This is a work in progress. Please read the section about the BloqToken first, *The BloqToken*.

This section illustrates some example services built on top of the BloqToken ecosystem.

Bloqhouse Wallet Dapp

Bloqhouse will provide open source wallet applications that allows investors to manage their real estate portfolio and trade the tokens. Visit Bloqhouse.com to apply for the pilot and buy Bloqs during the Genesis BloqTokens Issuance (scheduled for Q4 2017). If you want to develop your own applications on top of the BloqToken ecosystem, visit the *Getting started* page.

Collateralized peer-to-peer lending

Among the dozens of potential applications of tokenized real estate a very promising one would be collateralized peer-to-peer loans between friends or between a bank and customer. Bloqhouse will organize a *Bloqathon* to kick-start development on top of the **open** BloqToken ecosystem.

