

Subordinated Loan Agreement

concluded

between

Mietrendite CB Immobilien GmbH

Rüdigersgasse 18/2, 1050 Vienna

Registered in the Commercial Register of the Commercial Court, Vienna under

FN 464674 w;

(hereinafter the die "**Borrower**")

and

(hereinafter the "**Lender**")

1 Fact Sheet

Loan Amount	According to the determined loan amount on the platform but not less than EUR 1.000,--
Interest	3 % p.a. (act/365), simple interest, quarterly distribution
Subscription Period	starting January 29, 2017, 12:00CET, ending March 26, 2017, 24:00CET.
Term of Extension	1 months
Term	60 months
Funding Limit	EUR 200.000,--

2 Preamble

- 2.1 The Borrower is a limited liability company under Austrian law, with its registered office in Vienna and the company address in Rüdigerstraße 18/2, 1050 Vienna, entered in the Commercial Register of Commercial Court of Vienna under FN 464674 w. The object of the company is to develop real estate projects. The share capital is € 17,500.
- 2.2 Rendity GmbH operates a crowd-investing platform for real estate projects under registered domain www.rendity.com (hereinafter the “Platform”).
- 2.3 For acquiring a real estate rental property, the Borrower intends to take out subordinated loans. The Borrower intends to acquire a real estate rental property, consisting of four apartments, in the real estate project “Laendyard” in Erdberger Lände 26, 1030 Vienna. The apartments will be rented out during a holding period of five to seven years. Subsequently the apartments will be sold. The Borrower will provide Information on the real estate project on the Platform.

3 Bidding Phase

- 3.1 The Borrower invites potential Lenders to submit offers for granting subordinated loans to the Borrower. The Borrower shall take out subordinated loans from the Lenders for the scope of the real estate development project in question, at most up to the funding limit specified in Sec. 1.
- 3.2 During the period described in Sec. 1 and declared on the Platform (hereinafter the “**Subscription Period**”), the Lender may submit offers to grant loans on the basis of the provisions of this contract. In the event that the funding limit is reached prematurely, the Borrower may shorten the Subscription Period. The Borrower may also extend the Subscription Period in case the funded amount is not significantly lower than the funding limit within the original Subscription Period. Both the shortening and extension of the Subscription Period need to be declared on the Platform. In any case the Lender shall be bound to his offer until the 7th day after the end of the Subscription Period, regardless of any extension or shortening of such.
- 3.3 The Lender shall determine the specific loan amount he/she is willing to offer by clicking the confirmation button on the Platform. The offer of the Lender is finalized by transferring the loan amount to the insolvency-protected bank account, specifically created for this project, as stated on the Platform (hereinafter “**Bank Account**”). Only then is the offer valid and effective. Within 7 days after the receipt of payment the Lender shall be notified via email sent to the email address provided by the Lender

whether the offer was accepted or declined. The Borrower explicitly reserves the right to refuse offers from individual Lenders without giving reasons.

- 3.4 From the date of acceptance of the loan offer by the Borrower, the Lender has the right to withdraw from the loan contract for 14 days (hereinafter “**Cancellation Period**”).
- 3.5 In case the loan offer by the Lender is rejected by the Borrower, the Lender will be notified via email. The loan amount shall be transferred from the Bank Account back to the Lender’s account within 7 days after the rejection via email.

4 Risk notice

- 4.1 It is explicitly referred to the following facts, that
 - (i) the granting of a subordinated loan according to this contract offers the possibility of above-average returns, but also bears the risk of a total loss of the loan amount;
 - (ii) for purposes of risk spreading, the Lender is advised to only invest funds that are currently not needed;
 - (iii) Lenders, who do not have the financial means to compensate a possible total loss of the contributed capital, are not advised to grant a subordinated loan according to this contract;
 - (iv) the repayment of the loan amount and the interest is limited by the restrictions according to Sec. 10 (qualified subordinated loan); and
 - (v) no collateral shall be granted regarding the subordinated loan.
- 4.2 The Lender is advised to submit an offer for a subordinated loan according to this contract only upon professional counseling for example by an auditor, lawyer and/or financial consultant.
- 4.3 The Lender takes notice of the risks under Sec. 4.1 and Sec. 4.2 and also the provided information on possible risks on the Platform. The Lender confirms to fully understand the risks and enters into the subordinated loan agreement knowing the possible risks.

5 Granting of the Loan

- 5.1 The Lender grants the Borrower a subordinated loan according to this contract in the amount determined by the figure entered on the Platform and by paying said amount to the Bank Account, and thereby finalizing the offer.
- 5.2 The loan amount shall be transferred from the Bank Account to the Borrower’s account within 21 days of the end of the Subscription Period.

5.3 Upon receipt of the agreed loan amount on the account of the Borrower, the Lender has no further payment obligations towards the Borrower. There is especially no duty for additional contributions.

6 Interest

6.1 The interest rate is 3% p.a. (act/365). The interest is simple (no compound interest).

6.2 Interest shall be computed on a pro rata basis beginning with day of receipt of the funds by the Borrower.

6.3 Over the loan period the interest is distributed to the Lender on a quarterly basis at the end of each quarter considering a three-day grace period according to Sec.6.4. The Lender shall receive interest on a pro rata basis for the quarter in which the loan term starts according to Sec.6.2.

6.4 The quarterly interest payments shall be payable to the Lender's settlement account created for the Lender upon registering on the Platform (hereinafter "**Investor-Wallet**"). By clicking on the respective the payout button on the Platform, the Lender may transfer any incurred interest to the bank account specified by the Lender upon registering on the Platform or to another account specified by the Lender by updating the Lender's profile on the Platform (hereinafter "**Disbursement Account**"). Any payment by the Borrower to the Investor-Wallet shall have a debt-discharging effect for the Borrower.

7 Term and Repayment

7.1 The subordinated loan has a term of 50 months. This term shall begin on the day of the payment of the loan amount to the Borrower. The Lender shall be informed in writing by email sent to the email address specified on the Platform as soon as the payment is made. This email shall include the exact due date for the repayment of the loan (hereinafter "**Due Date**").

7.2 On the Due Date the loan amount shall be payable to the Investor-Wallet. Any payment by the Borrower to the account registered (and/or updated) by the Lender on the Platform shall have a debt-discharging effect for the Borrower.

7.3 A premature repayment of the loan amount including interest is possible at any time. In this case the Lender shall pay the interest that fictitiously would have occurred for the first year of the loan term. A premature repayment of the loan amount after the first year of the loan term is possible considering a pro rata payment of the interest.

7.4 After 24 months of the beginning of the loan term the Lender may place the loan amount or parts thereof at the end of each quarter with a notice period of three months. The Lender shall inform the platform whether the entire loan amount or only parts thereof shall be offered on the Platform. Subsequently the desired loan amount will be anonymously offered on the Platform. Within 24 days after a loan contract in

the desired amount is closed the Lender shall receive the loan amount payable to the Investor-Wallet.

- 7.5 The Borrower shall be entitled to extend the loan term by 24 months at most. In the case of extending the loan term the Borrower shall inform the Lender the latest 6 months prior to the end of the original loan term via email. In the case of extending the loan term the Due Date will change respectively. Any interest that will occur during the extension shall be treated according to Sec.6.

8 Appreciation

- 1.1 The Borrower intends to sell the apartments at after a holding period of five to seven years.
- 1.2 In the event that the apartments increase in value and thus can be sold at a premium, the Lender shall receive a proportionate share of the appreciation (hereinafter **“Proportionate Appreciation”**).
- 1.3 The Proportionate Appreciation shall be calculated as follows:

$$\left(\frac{\text{sales proceeds less selling costs + taxes}}{\text{Purchase price incl. ancillary costs}} - 1 \right) \times \text{loan amount}$$

By way of illustration:

$$\left(\frac{EUR\ 735,000}{EUR\ 650,000} - 1 \right) \times EUR\ 5,000 = EUR\ 563.85 \text{ (approx. 13,07\%)}$$

- 1.4 The Proportionate Appreciation shall be payable to the Lender according to Sec.7.2.
- 1.5 The Borrower is expressly authorized to sell the apartments or parts thereof during the intended holding period. In case the all the apartments are sold during the intended holding period the Due Date will be brought forward accordingly.
- 1.6 In case the real estate market should drastically worsen and thus the sale of the apartments despite extending the term of the loan would be not be commercially viable, the Borrower is expressly authorized to obtain an expert opinion from an independent expert regarding the value of the apartments. On the grounds of this expert opinion the Borrower shall calculate the notional appreciation according to Sec.8.3 and the Lender shall receive the loan amount including the Proportionate Appreciation payable to the Investor-Wallet

9 Disbursement Account

- 9.1 The Lender is obligated to keep the bank account information provided on the Platform up to date. The account shall be managed by a bank within the Single Euro Payment Area (hereinafter: **“SEPA”**).

- 9.2 Any transfers by the Borrower to an account held by the Lender within SEPA shall not be subject to any fees.

10 Qualified Subordination Clause

- 10.1 The Lender hereby declares as per Sec. 67 Subsec. 3 Austrian Insolvency Code [IO], that it only wishes to have its claim satisfied after any negative equity is eliminated (Sec. 225 Subsec. 1 Austrian Commercial Code [UGB]), or in the event of liquidation after all creditors have been satisfied and declares that no insolvency proceedings will need to be initiated on the basis of these liabilities. If amounts are not disbursed for the abovementioned reasons, the Borrower shall provide these payments as soon as possible in keeping with the above conditions. Interest shall continue to be charged up to this time according to Sec. 6.
- 10.2 In case insolvency proceedings are to be opened over the assets of the Borrower no payments to the Lender shall be made until all claims of all non subordinate creditors are fully satisfied. The Lender takes notice that in such an event a complete loss of the loan amount is very likely.
- 10.3 Possible claims of the Lender against the Borrower may not be settled against the loan amount or the interest. The Lender is explicitly not permitted to any setoff.

11 Information Rights

- 11.1 Prior to submitting an offer the information according to Sec 4 Subsec. 1 Alternative Financing Act [AltFG] is brought to the Lender's attention.
- 11.2 Until the full repayment of the loan amount including interest the Lender shall provide its current annual financial statement, according to the formal and timely requirements of Sec. 277 Austrian Commercial Code [UGB], sent to the Lender's email address (provided on the Platform).
- 11.3 All information according to Sec 10.1 and Sec 10.2 will also be provided on the Platform.
- 11.4 The Lender shall treat all documents that are labeled confidential, which are provided to the Lender in compliance with AltFG, as such.
- 11.5 Apart from Sec. 10 no other information rights exist. The Lender has no information or participation rights under company law.

12 Commission / Service Charge

The Lender accepts that Rendity GmbH receives a commission and a service charge from the Borrower, for its efforts procuring the subordinated loan and also for

providing the infrastructure that enables the communication between the Lender and the Borrower.

13 Prohibition of Transfer

Either party may transfer rights and obligations arising from this contract only with the written consent of the other party.

14 Final Provisions

- 14.1 If any provision of this Agreement should be or become legally invalid in whole or in part, this shall not affect the validity of the remaining provisions. The invalid provision shall be replaced by a permissible regulation that as closely as possible approximates the economic intent of the invalid provision.
- 14.2 Modifications and amendments of this contract need to be in written form.
- 14.3 This Agreement is subject to Austrian law, to the exclusion of the conflict of laws rules of international private law as well as the UN Sales Convention.
- 14.4 For all legal disputes arising from this Agreement, including disputes regarding its conclusion, the commercial court of Vienna - to the extent permitted by law - is hereby agreed upon as the exclusive place of jurisdiction.
- 14.5 This contract is available in German and in English. In case of a dispute German version shall prevail.