

Whitepaper

«Renta.City - Service for long-term lease for B2B & B2C»



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DISCLAIMER

PLEASE READ THIS DISCLAIMER SECTION CAREFULLY. IF YOU ARE IN ANY DOUBT AS TO THE ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR LEGAL, FINANCIAL, TAX, OR OTHER PROFESSIONAL ADVISOR(S).

The information set forth below may not be exhaustive and does not imply any elements of a contractual relationship or obligations. The sole purpose of this Whitepaper is to present the RentaCity and tokens to potential token holders in connection with the proposed ICO. While we make every effort to ensure that any material in this white paper is accurate and up to date, such material in no way constitutes the provision of professional advice. RentaCity does not guarantee, and accepts no legal liability whatsoever arising from or connected to, the accuracy, reliability, currency, or completeness of any material contained in this white paper. REC token holders should seek appropriate independent professional advice prior to relying on, or entering into any commitment or transaction based on, material published in this Whitepaper, which material is purely published and exists for reference purposes alone.

REC tokens will not be intended to constitute securities, digital currency, commodity, or any other kind of financial instrument and has not been registered under relevant securities regulations, including the securities laws of any jurisdiction in which a potential token holder is a resident. This Whitepaper does not constitute a prospectus or offer document of any sort and is not intended to constitute an offer of securities or a solicitation for investment in securities in any jurisdiction. RentaCity does not provide any opinion or advice to purchase, sell, or otherwise transact with REC tokens and the fact of presentation of this white paper shall not form the basis of, or be relied upon in connection with, any contract or investment decision. No person is bound to enter into any contract or binding legal commitment in relation to the sale and purchase of REC tokens, and no cryptocurrency or other form of payment is to be accepted based on this Whitepaper.

REC tokens cannot be used for any purposes other than as provided in this Whitepaper, including but not limited to, any speculative or other financial purposes. REC token confers no other rights in any form, including but not limited to any ownership, redemption, liquidation, property (including all forms of intellectual property), or other financial or legal rights, other than those specifically set forth below. While the community's opinion and feedback can be considered, REC tokens do not give any right to participate in decision-making or any direction of business related to the RentaCity service. Tokens REC can be used for purposes defined in this Whitepaper. All examples of the calculation of income and profits used in this paper were provided only for demonstration purposes or for demonstrating the industry's averages and do not constitute a guarantee that these results will be achieved, according to the marketing plan or roadmap.

Certain statements, estimates and financial information contained herein constitute forward-looking statements or information. Such forward-looking statements or information involve known and unknown risks and uncertainties, which may cause actual events or results to differ materially from the estimates or the results implied or expressed in such forward-looking statements.

You are not eligible, and you are not to purchase any REC tokens if you are a citizen or resident (tax or otherwise) of USA, South Korea, Singapore, or another Singapore Person. "Singapore Person" is generally defined as a natural person, residing in the Singapore or any entity organized or incorporated under the laws of Singapore. You are not eligible, and you are not to purchase any REC tokens if you are a citizen or resident (tax or otherwise) of the People's Republic of China («PRC»), or other PRC Person. «PRC Person» is generally defined as a natural person, residing in the People's Republic of China, or any entity organized or incorporated under the laws of the People's Republic of China.

The Russian language of Whitepaper is the primary official source of information about the REC token.

USED TERMS

RentaCity (REC) (hereinafter referred to as "Token", "RentaCity" or "REC") – is a **token** (digital token), providing the right to receive passive income by getting monthly accruals, future increase of the tokens price, and working with token on the exchanges.

Use of tokens as internal bonus units for consideration of discounts and other benefits for the token holders.

In case of amendments to the laws of the Russian Federation **tokens may be used as full-bodied internal settlement units.**

Fiat money is currency that a government has declared to be legal tender, but it is not backed by a physical commodity. More info: https://en.wikipedia.org/wiki/Fiat_money

Ethereum – It is a platform for creating decentralized online services based on a blockchain technology. REC is an ERC20-compatible token in the framework of the publicly distributed blockchain platform Ethereum. The Ethereum platform, which is rapidly becoming the standard protocol for the release of new digital assets, perfectly corresponds to the requirements of RentaCity. The compatibility with the ERC20 standard allows you to use a full potential of the extensive ecosystem of the Ethereum platform, including e-wallets and exchanges developed for it.

ERC20 – is the standard of the Ethereum`s tokens. More information: <https://github.com/ethereum/EIPs/issues/20>

INTRODUCTION

Rental of equipment is a major sector of service industry in many countries. Practice of equipment rental is mostly spread in the USA, United Kingdom and Australia.

Short-term rental is essentially operative leasing, it allows customers to get services for a short period for holding of exhibitions, presentations and other events. The question is not only about presentation or refrigerating equipment, but about construction tools and construction machinery.

The next type of related activity is long-term rental without an option to purchase. While validity term of short-term rental agreement is represented in days and weeks at most, the period for long-term rental agreements is calculated in months. Long-term rental becomes useful for companies starting own business. Such companies are not confident in their future and do not plan to make investments into fixed assets. In this case they deposit free funds into circulating capital.

If the company is confident of its future, it will certainly use such service of financial leasing or long-term rental with an option to purchase.

In general the rental service is demanded among either companies or individuals.

The range of short-term rental services is quite wide– this is rental of sport inventory, clothes for events, audio and video equipment etc. But those are only services for several days and without an option to purchase!

There are no companies in the Russian Federation working under the scheme of rental with an option to purchase in both market segments –B2B and B2C.

CURRENT METRICS

- 2006 – entry into the market of equipment for retails and Horeca (hotels, restaurants and bars);
- 2011 – launch of the commission line for dealing with used equipment;
- 2014 – launch of short-term and Long-term equipment rental (without an option to purchase).

We have our own fleet of equipment (100 units), which is mainly for long term rental (starting from 1 month). We are working with legal entities (limited liability companies, individual entrepreneurs) and individuals.

Due to absence of sufficient financial volumes, we implemented the scheme for investors attraction in physical terms. That means, clients provide us their products in trust for their further rent out.

We are monopolist of short-term and long-term rental services in our region and in our market segment.

Parent company web-site : www.melna.ru

SOLVING PROBLEMS

As we noticed, unfortunately, long-term rent without an option to purchase is not suitable for companies with stable turnover. In this case, they want possibility to transfer rental into ownership or purchase it. Current specifics of the classic leasing companies is that some restrictions are imposed on the range of products, and most importantly, on minimum amount of contract costs, which are often several times higher than the amount of the required funding. That means, there is a dropdown segment of customers with the required financing up to 500 thousand rubles approximately.

We work even with one item of goods, for any period starting from one month, with the option of return and exchange. We provide service, run stable sales channel for the returned used products. That means, the complete cycle company is implemented!

For proper work even only in B2B segment large amounts are required for initial purchase of equipment. Products are purchased at the manufacturing plants not in advance, but promptly upon the client's request.

The American company Rent-A-Center (rentacenter.com) with about 2,500 stores in the U.S.A., Mexico and Canada can be mentioned as an example of business working in the B2B segment. The company is focused only on the individuals, offering domestic products: from cell phones to refrigerators and furniture. There is a unit for working with franchisee in the North America.

For working on the B2C market it is necessary to develop retail points of service, besides having sufficient amounts for purchase of the goods.

TASKS

Our team does not use the trendy term "decentralization". We understand that at least now it is pointless to create a common platform for services of rental / rental with an option to purchase in our segment of the market. This is due to the different working conditions in each region, personal working environment for each client.

We focus on urgent needs of investors, namely, on their desire to obtain stable profits over a long period of time.

Relying on years of our experience on working in the B2B segment, and borrowing everything significant from foreign projects, we are aimed at implementing the service (RentaCity) for comprehensive customer care in all market segments.

Our task is to implement and expand firstly the service of long-term rental with an option to purchase for B2B and further for B2C, without abandoning the related businesses.

Thus there is a complete cycle of goods circulation: purchase of goods at dealer prices, long-term lease out with an option to purchase, warranty and post-warranty service, sale of the goods in the secondary market or re-lease in case of early termination of the deed.

To expand activity on trust management of property of investors-landlords, as an additional business line. The scheme has already been implemented and is applied on some contracts.

Agreements are optimized for working with individuals for avoidance of taxation of the landlord on 13% Personal Income Tax.

To expand the range to at least presentation and construction equipment, and to construction machinery at most.

To extend geographical coverage to other regions - primarily in the million cities.

To offer the scheme of franchise work for remote cities and large markets.

To offer p2p functionality on lease/exchange/sale of goods. Separately, this line is not viable, but can work well in the overall ecosystem. In this case our company will act as the guarantor of deals, and in simple form, just as an agent on management over the client's products.

DESCRIPTION OF THE PROJECT

Project mission:

- The B2B segment: To provide the business with the chance for equipping and re-equipping of their facilities without using credit funds.
- The B2C segment: To enable use of the mass-market products under lease with an option to purchase, return, and, most importantly, free exchange for a new product.
- The P2P segment: Services on lease/exchange/sale of goods between our clients, where the platform will act as a catalogue of proposals and the guarantor of deals.

Commercial value to the company:

- purchase of products at dealer prices;
- regular income from rental payments;
- margin from sales of the used goods;
- additional supply of associated goods for the facilities against prepayment;
- receiving royalties and franchise fees from franchisees;
- post warranty service.

Technical part and innovation:

- our platform uses blockchain technology based on smart contracts, Ethereum, which makes the company's financial operations completely transparent.
- currently the system is implemented on the engine of CS-Cart online store with local accounting system integration. Every product has set parameters: Price of rental per day/week/month, sale price, owner of the product. The product investor will receive payment for actual period of rental. The investor has an account on the web-site, where information about current accruals is placed.
- for complex equipment we use trackers for management of supply circuits, and mainly for following the goods via GPS and cellular network towers.
- for scaling the project and best integration with local accounting systems we need to redesign the platform software.
- adaptation/development of tenant, investor, franchisee offices is required.
- mobile client needs to be developed for the tenant and the investor.
- increased number of payment options is required.

TOKEN DESCRIPTION AND FINANCIAL PLAN

RentaCity is a smart contract, Ethereum, written using the Solidity programming language. It allows you to issue tokens in Ethereum network and provides a wide range of options.

REC is a token issued based on the RentaCity contract.

No initial tokens issue. A token is created upon purchase and is be credited to the investor's purse. Number of REC tokens produced at each ICO step will be strictly limited and correspond to the intended purposes. The amount of the proposed tokens, as well as rates to Ethereum can be adjusted and set prior to each round of financing, after analyzing of the current market situation and summarizing the results of the previous steps.

The basic rate: 1 token (REC) is equivalent to 1/1500 ETH.

There is no limit on the maximum number of tokens to be purchased by one person. However, the purchase amount may be limited after adoption of the new laws of the Russian Federation.

Tokens will be implemented in several stages. RentaCity reserves the right to offer special conditions of sales to the strategic customers and partners.

Benefits for the investors and the users of the service:

- Use of the token as an internal bonus units to account for discounts and other benefits to holders of tokens. In case of amendments to the laws of the Russian Federation, tokens may be used as a full-fledged internal settlement unit.
- The investor will receive additional revenue from future increases in the price of the token and operating the tokens on the exchange.
- The company proceeds on the basis that it attracts money from private and institutional investors and will act in their interests and for them to gain profit. At least 30% of quarterly net profits will be paid out. The company will convert the received net profit into the Ethereum crypto currency on a quarterly basis at the current market rate and distribute it proportionately among all holders of the REC token.
- The start date of accruals – start of stage #2.

ICO STAGES

STAGE №1:

Marketing analysis

Period: 1 month

At this stage information about the project will be placed on thematic platforms, paid promotion of the project will be implemented. Objective of this project is to detect the number of potential interested investors, to get critical comments, to find new partners. Funds will be raised for consultants and specialists, for holding of pre-sale and ICO.

Number of tokens put for sale –100 000.

Softcap of the stage: 10 000 tokens – marker of level of interest of crypto-society to our project.

STAGE №2:

First stage of pre-sale

Period: 1 month

Objective: to collect necessary amount for launch of the line "Rental with an option to purchase" for B2B in test mode. Maintenance of software and regulatory system for working with investors and tenants. Start of integration process with exchanges and other services.

Number of tokens put for sale – 200 000.

Softcap will be determined later.

Bonus - 25%.

STAGE №3:

Second stage of pre-sale

Period: 1 month

Objective: to collect necessary amount for launch of the line "Rental with an option to purchase" for B2C in test mode. Maintenance of software for working with investors and tenants.

Number of tokens put for sale – 200 000.

Softcap will be determined later.

Bonus - 25%.

STAGE №4:

ICO

Period: **every month** during the following 12 months

Objective: to implement plans to the full extent.

Number of tokens put for sale **in every month** –200 000.

Upon expiration of 12 months results will be summarized, the achieved results will be analyzed. If the market encourages further development of the company, new stages with specific objectives will be marked.

ICO RESULTS AND TOKEN DISTRIBUTION

Operation activity of the project will be implemented regardless of amounts of the raised funds (with consideration for conditions of stage №1). Various as per scale lines will be implemented depending on the financing volumes (sorting as per increase of financing):

- 1) Expansion of products line for short-term rental and long-term rental without an option to purchase;
- 2) Launch of rental with an option to purchase for legal entities;
- 3) Start of working with individuals;
- 4) Scaling of the project to other regions.

Distribution of tokens:

- 2% of tokens from the current issued number will be distributed to bounty-partners and managers.
- 2% of tokens from the current issued number will be distributed as per partner program for attraction of investors.
- 10% of tokens from the current issued number will be distributed to team of the project for Payroll expenses and use inside the system.
- 86% of tokens are intended for sale.

Code of smart contracts will be published on the page <https://github.com/RentaCity>

KYC

Once ICO finished, REC token holders, who want to withdraw their tokens to the exchange or sell them may be asked to pass the KYC procedure.

FRANCHISE

The franchise will be sold to those franchisees that will meet the necessary conditions set by RentaCity. Franchise will cover those regions which are not occupied by other franchisees. Every franchisee must pay royalties. Financial model of working with franchisee will be developed on the third stage of the project implementation.

IN-DEPTH GROWTH PLAN

2018 is determined as the year:

- for establishment of relations with crypto-society in order to enhance confidence to offline-projects;
- for adjusting business lines at the local market.

Since 2019 expansion is planned to markets of major cities of the Russian Federation and neighboring states. In terms of legal uncertainty of crypto-currencies and financial relations based on them, the company will firstly develop traditional methods of business conduct. In case of improvement of local laws we will be able to assess advantages of new technologies to the full extent.

MARKETING

The marketing strategy implies the positioning of the company as an innovative ICO project in own segment of the market. One of the main tasks is to attract crypto-investors to real business segment by enhancing mutual confidence and transparency of business.

CUSTOMER RETENTION

Operating with the values and needs of customers, creating real practical benefits, the service is clearly differentiated among possible competitors, multiplying the number of loyal consumers.

We intend to develop Inbound Marketing, a client-oriented policy, constantly analyzing the goals, wishes and preferences of consumers. Together with the scaling and expansion, our relations with customers will grow, which will always remain as friendly and dense as now, because we see this as a guarantee of the successful operation of the service.

TERMS AND CONDITIONS, RISKFACTORS

The purchase of tokens involves a high degree of risk, including but not limited to the risks described below. Before acquiring REC tokens, it is recommended that each participant carefully weighs all the information and risks detailed in this white paper, as well as the information and risks available from other sources.

Dependence on computer infrastructure.

RentaCity's dependence on functioning software applications, computer hardware and the Internet implies that RentaCity can offer no assurance that a system failure would not adversely affect the use of your RECs (REC). Despite RentaCity's implementation of all reasonable network security measures, its processing center servers are vulnerable to computer viruses, physical or electronic break-ins or other disruptions of a similar nature. Computer viruses, break-ins or other disruptions caused by third parties may result in interruption, delay or suspension of services, which would limit the use of the RECs.

Smart contract limitations.

Smart contract technology is still in its early stages of development, and its application is of experimental nature. This may carry significant operational, technological, regulatory, reputational and financial risks. Consequently, although the audit conducted by independent third party increases the level of security, reliability, and accuracy, this audit cannot serve as

any form of warranty, including any expressed or implied warranty that the RentaCity Smart Contract is fit for purpose or that it contains no flaws, vulnerabilities or issues which could cause technical problems or the complete loss of RECs (REC).

Regulatory risks.

Blockchain technology, including but not limited to the issue of tokens, may be a new concept in some jurisdictions, which may then apply existing laws or introduce new regulations regarding Blockchain technology-based applications, and such regulations may conflict with the current RentaCity smart contract setup and REC token concept. This may result in the need to make substantial modifications to the RentaCity smart contract, including but not limited to its termination, the loss of REC tokens, and the suspension or termination of all REC token functions.

Taxes.

REC token holders are solely responsible for determining if the transactions contemplated herein are subject to any applicable taxes whether in their home country or in another jurisdiction. It will be the sole responsibility of REC token holders to comply with the tax laws of any jurisdictions applicable to them and pay all relevant taxes.

Force Majeure.

RentaCity's performance may be interrupted, suspended or delayed due to force majeure circumstances. For the purposes of this white paper, force majeure shall mean extraordinary events and circumstances which could not be prevented by RentaCity and shall include: acts of nature, wars, armed conflicts, mass civil disorders, industrial actions, epidemics, lockouts, slowdowns, prolonged shortage or other failures of energy suppliers or communication service, acts of municipal, state or federal governmental agencies, other circumstances beyond RentaCity's control, which were not in existence at the time of white paper release.

Disclosure of information.

Personal information received from REC token holders, the information about the number of tokens owned, the wallet addresses used, and any other relevant information may be disclosed to law enforcement, government officials, and other third parties when RentaCity is required to disclose such information by law, subpoena, or court order. RentaCity shall at no time be held responsible for such information disclosure.

Value of REC token.

Once purchased, the value of REC token may significantly fluctuate due to various reasons. RentaCity does not guarantee any specific value of the REC token over any specific period. RentaCity shall not be held responsible for any change in the value of REC token.

Regulatory risks related to p2p-carsharing.

P2p-carsharing is a dynamic and fast growing business in many regions, therefore RentaCity using its best efforts to comply with all applicable regulations in jurisdictions where business activities take place. However, RentaCity does not provide any guarantee that any certain jurisdiction has solid laws and regulations requirements, as well as RentaCity does not provide any guarantee that such laws and/or regulations will not be amended from time to time, including introduction of new regulations, that may, including but not limited to result to restriction of p2p-carsharing in relevant jurisdiction. RentaCity does not provide any guarantee of absence of any amendments to regulations related to p2p-carsharing, including insurance, natural monopolies etc. RentaCity shall not be liable for any uncertainty in regulations and for any amendments in such regulations that may result to restriction of p2p-carsharing in relevant jurisdiction.

Risk of Insufficient information.

The REC, platform and project are at a very early developmental stage and its philosophy, consensus mechanism, algorithm, code and other technical specifications and parameters could be updated and changed frequently and constantly. While the Whitepaper contains the up-to-date key information related to REC tokens at the date of the Whitepaper, it is not complete nor is final and is subject to adjustments and updates that RentaCity may make from time to time. RentaCity is not in a position, nor obliged to report on every detail of the development of REC (including its progress and expected milestones, whether rescheduled or not) and therefore will not necessarily provide timely or full access to all the information relating to the REC, but will use reasonable efforts.

DISCLAIMER OF WARRANTY

Participating in ICO may be limited due to legal requirements of each jurisdiction. PARTICIPATION OF PARTIES FROM OTHER COUNTRIES MAY BE LIMITED DEPENDING ON THE LAWS AND REGULATIONS OF EACH JURISDICTION AT THE TIME OF SENDING THE TOKENS FROM THE PROJECT.

YOU AGREE THAT YOUR USE OR INABILITY TO USE REC, IS EXCLUDED ONLY TO YOUR OWN RISK, AND YOU DECLINE ALL RESPONSIBILITY FROM RENTACITY. FROM THE MOMENT OF ITS COMPLETION, REC WILL BE DELIVERED TO YOU WITHOUT ANY WARRANTIES, EXPRESS OR IMPLIED, INCLUDING THE DISCLAIMER OF ALL IMPLIED WARRANTIES OF COMMERCIAL VALUE FOR A PURPOSE, WITHOUT VIOLATION OF ANY PURPOSE OF INTELLECTUAL PROPERTY. BECAUSE OF SOME JURISDICTIONS DO NOT ALLOW THE EXCLUSION OF IMPLIED WARRANTIES, THE ABOVE EXCLUSIONS OF IMPLIED WARRANTIES MAY NOT APPLY TO YOU.

PROHIBITION FOR US RESIDENTS AND CITIZENS

RECS (REC) ARE NOT PROPOSED AND NOT DISTRIBUTED TO US RESIDENTS AND CITIZENS.

PROHIBITION FOR RESIDENTS AND CITIZENS OF CHINA

RECS (REC) ARE NOT PROPOSED AND NOT DISTRIBUTED TO RESIDENTS AND CITIZENS OF CHINA.

PROHIBITION FOR RESIDENTS AND CITIZENS OF SOUTH KOREA

RECS (REC) ARE NOT PROPOSED AND NOT DISTRIBUTED TO RESIDENTS AND CITIZENS OF SOUTH KOREA.

PROHIBITION FOR RESIDENTS AND CITIZENS OF SINGAPORE

RECS (REC) ARE NOT PROPOSED AND NOT DISTRIBUTED TO RESIDENTS AND CITIZENS OF SINGAPORE.

RECS (REC) ARE NOT PROPOSED AND NOT DISTRIBUTED TO RESIDENTS AND CITIZENS OF ANY COUNTRY WHERE THE CRYPTOCURRENCIES AND ICO ARE PROHIBITED.

FEEDBACK, REGISTRATION OF INVESTOR

Potential investor can register on the web-site: <https://renta.city>

Telegram-channel – t.me/rentacity

E-mail: info@renta.city